

THIS CIRCULAR TO SHAREHOLDERS OF SARAWAK CONSOLIDATED INDUSTRIES BERHAD ("SCIB" OR THE "COMPANY") 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.

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SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Registration No.: 197501003884 (25583-W))

(Incorporated in Malaysia under the Companies Act 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

- (I) **PROPOSED CAPITALISATION OF AN AGGREGATE AMOUNT OF RM11,301,266.80 DEBT OWING TO GOH HARDWARE & CONSTRUCTION SDN BHD ("GOH HARDWARE" OR "CREDITOR") BY SCIB PROPERTIES SDN BHD ("SCIB PROPERTIES"), A WHOLLY-OWNED SUBSIDIARY OF SARAWAK CONSOLIDATED INDUSTRIES BERHAD ("SCIB") VIA THE ISSUANCE OF 18,496,345 NEW ORDINARY SHARES IN SCIB ("SHARES" OR "SCIB SHARES") ("CAPITALISATION SHARES") AT AN ISSUE PRICE OF RM0.6110 PER CAPITALISATION SHARE ("ISSUE PRICE") ("PROPOSED CAPITALISATION"); AND**
- (II) **PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF A LONG TERM INCENTIVE PLAN ("LTIP") OF UP TO 15.0% OF THE COMPANY'S TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT OF TIME DURING THE DURATION OF THE LTIP FOR ELIGIBLE DIRECTORS OF SCIB AND EMPLOYEES OF SCIB AND ITS NON-DORMANT SUBSIDIARY(IES), WHO FULFIL THE ELIGIBILITY CRITERIA AS SET OUT IN THE BY-LAWS OF THE LTIP ("PROPOSED LTIP")**

(COLLECTIVELY, THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



M&A SECURITIES SDN BHD

Registration No. 197301001503 (15017-H)

(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 Remote Participation and Voting ("**RPV**") facilities provided by Digerati Technologies Sdn. Bhd. in Malaysia at <https://scib-egm.digerati.com.my> (Domain registration number D1A119533) as a fully virtual general meeting on 27 March 2024 at 10.30 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 B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur. In the case of an appointment of a proxy made in electronic form, the Proxy Form can be electronically lodged via the Digerati Portal at <https://scib-egm.digerati.com.my>. 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:	Monday, 25 March 2024 at 10.30 a.m.
Date and time of the EGM:	Wednesday, 27 March 2024 at 10.30 a.m.
Online Meeting Platform of the EGM:	https://scib-egm.digerati.com.my (Domain registration number D1A119533) provided by Digerati Technologies Sdn. Bhd. in Malaysia

This Circular is dated 16 February 2024

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
Board	: Board of Directors of SCIB
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
By-Laws	: By-Laws governing the LTIP, as may be amended, modified, altered and/or supplemented from time to time
Capitalisation Agreement	: Capitalisation agreement dated 30 November 2023 entered into between SCIB and Goh Hardware for the Proposed Capitalisation
Capitalisation Amount	: Capitalisation of an aggregate amount of RM11,301,266.80 owing to Goh Hardware by SCIB Properties, a wholly-owned subsidiary of SCIB
Capitalisation Share(s)	: 18,496,345 new SCIB Shares to be issued pursuant to the Proposed Capitalisation
CAGR	: Compound annual growth rate
CDS	: Central Depository System
CDS Account(s)	: An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Circular	: This Circular to shareholders of SCIB in relation to the Proposals dated 16 February 2024
CMSA	: Capital Markets and Services Act, 2007
COVID-19	: Coronavirus Disease 2019
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
Edaran Kencana	: Edaran Kencana Sdn Bhd (Registration No. 201801042190 (1304222-K))
EGM	: Extraordinary general meeting
Eligible Person(s)	: Directors (including non-executive Directors) and/or employees of the Group who fulfils the criteria of eligibility to participate in the Proposed LTIP as stipulated in the By-Laws
EPCC	: Engineering, procurement, construction and commissioning
FYE	: Financial year ended/ending 30 June, where applicable

DEFINITIONS (cont'd)

Goh Hardware or Creditor	:	Goh Hardware & Construction Sdn Bhd (Registration No: 201501020195(1145531-D))
GP	:	Gross profit
ISO	:	International Organisation for Standardisation
Issue Price	:	Issue price of RM0.6110 per Capitalisation Share
LAT	:	Loss after taxation
LBT	:	Loss before taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
LPD	:	2 February 2024, being the latest practicable date prior to the date of this Circular
LPS	:	Losses per share
LTD	:	29 November 2023, being the date prior to the announcement of the Proposals on 30 November 2023
LTIP	:	Long term incentive plan
LTIP Award	:	Means the SGP Award(s) and/or the SOP Award(s), as the case may be
LTIP Award Date	:	The date on which the LTIP is awarded to the Eligible Person(s)
LTIP Committee	:	A committee, comprising members who shall be duly appointed and authorised by the Board
Maximum Scenario	:	Assuming all of the Warrants are exercised prior to the implementation of the Proposals
MFRS 2	:	Malaysian Financial Reporting Standards 2 on "Share-Based Payment" issued by the Malaysian Accounting Standards Board
Minimum Scenario	:	Assuming none of the Warrants are exercised prior to the implementation of the Proposals
M&A Securities	:	M&A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
NA	:	Net assets
Option Price	:	The price at which SOP Participant(s) shall be entitled to subscribe for the SCIB Share(s) upon the exercise of the SOP Option(s), as initially determined and as may be adjusted, pursuant to the provisions of By-Laws
PBT	:	Profit before taxation
Private Placement 2023	:	Private placement of 58,203,753 new ordinary shares in SCIB which had been completed on 6 September 2023

DEFINITIONS (cont'd)

Proposed Capitalisation	:	Proposed capitalisation of the Capitalisation Amount owing to Goh Hardware by SCIB Properties, a wholly-owned subsidiary of SCIB, via the issuance of 18,496,345 Capitalisation Shares at the Issue Price pursuant to the Capitalisation Agreement
Proposed LTIP Scheme	or	Proposed establishment and implementation of LTIP of up to 15.0% of the Company's total number of issued shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP for eligible Directors and employees of SCIB and its non-dormant subsidiary(ies), who fulfil the eligibility criteria as set out in the by-laws of the LTIP. The Proposed LTIP comprises of Proposed SGP and Proposed SOP
Proposed SGP	:	Proposed share grant plan
Proposed SOP	:	Proposed share option plan
Providence	:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
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
SCIB or Company	:	Sarawak Consolidated Industries Berhad (Registration No. 197501003884 (25583-W))
SCIB Group or Group	:	SCIB and its subsidiaries, collectively
SCIB Properties	:	SCIB Properties Sdn Bhd (Registration No. 200101019135 (554892-V))
SCIB Share(s) or the Share(s)	:	Ordinary share(s) in SCIB
SDD	:	Serba Dinamik Development Sdn Bhd (Registration No. 201801040993 (1303024-U))
SGP Award(s)	:	The award of such number of SCIB Share(s) to an Eligible Person in the manner and subject to the terms and conditions provided in the By-Laws
SGP Award Date(s)	:	The date of which an SGP Award(s) is awarded to an Eligible Person pursuant to a LTIP Award letter
SGP Interested Directors	:	All the Directors who are entitled to participate in the Proposed SGP and therefore deemed interested in the Proposed SGP to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed SGP
SGP Participant(s)	:	Eligible Person(s) who has accepted the SGP Award(s) in the manner provided in the By-Laws
SOP Award(s)	:	The award of such number of SOP Option(s) to an Eligible Person to subscribe for the SCIB Shares at the Option Price in the manner and subject to the terms and conditions provided in the By-Laws

DEFINITIONS (cont'd)

- SOP Award Date(s) : The date of which an SOP Award(s) is awarded to an Eligible Person pursuant to a LTIP Award letter
- SOP Interested Directors : All the Directors who are entitled to participate in the Proposed SOP and therefore deemed interested in the Proposed SOP to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed SOP
- SOP Option(s) : The award of such number of SOP Option(s) to an Eligible Person to subscribe for SCIB Share(s) at the Option Price in the manner and subject to the terms and conditions provided in the By-Laws
- SOP Participant(s) : Eligible Person(s) who has accepted the SOP Award(s) in the manner provided in the By-Laws
- Warrants : 245,184,997 outstanding warrants 2021/2024
- 5D-VWAMP : 5-day volume weighted average market price

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.

Key information	Summary	Reference to Circular
Details of the Proposals :	<p><u>Proposed Capitalisation</u></p> <p>On 30 November 2023, SCIB and SCIB Properties had entered into a Capitalisation Agreement with Goh Hardware to settle the Capitalisation Amount via the issuance of Capitalisation Shares at the Issue Price.</p> <p>Pursuant to the Capitalisation Agreement, SCIB shall repay the Capitalisation Amount owing by SCIB Properties to the Creditor based on the cut-off date as at the 1 November 2023 via the issuance of Capitalisation Shares at the Issue Price.</p> <p><u>Proposed LTIP</u></p> <p>The Proposed LTIP entails the establishment and implementation of the LTIP of up to 15.0% of the total number of issued Shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP to the Eligible Persons.</p>	Section 2
Rationale for the Proposals :	<p><u>Proposed Capitalisation</u></p> <p>The purpose of the Proposed Capitalisation is to settle the Capitalisation Amount. The Board is of the view that the settlement of the Capitalisation Amount via the issuance of Capitalisation Shares to the Creditor is the most appropriate method as it would enable the Group to:</p> <ul style="list-style-type: none">(a) settle the indebtedness without incurring additional debt obligation/ interest expenses by the Group;(b) strengthen the Company's equity base as well as the NA and gearing ratio of the Company as a result of the increase in the share capital of the Company; and(c) preserve its cash for other purposes, such as working capital requirements. <p><u>Proposed LTIP</u></p> <p>The Proposed LTIP will provide Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:</p> <ul style="list-style-type: none">(a) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;	Section 3

Key information	Summary	Reference to Circular
	<p>(b) to reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of SCIB Shares;</p> <p>(c) to make the Group's remuneration scheme more competitive to attract more skilled and experienced individuals to join the Group and contribute to the continued growth;</p> <p>(d) to motivate the Eligible Persons towards achieving improved performance through greater productivity and loyalty;</p> <p>(e) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the company; and</p> <p>Despite the Group is loss-making for the past 4 out of 5 financial years, the Company is undertaking the LTIP as a part of a reward scheme to reward Eligible Employee for their participation and effort to turn around the company. Employees who fulfill the criteria set out in the By-Laws of the Company are entitled to both the SOP and SGP. The reasons for such entitlement are to ensure the granting of SOP and SGP align the interests of employees with the shareholders of the Company, fostering a shared commitment to the Company's success and overall performance. The Proposed SOP is also extended to the Non-Executive Directors of SCIB to recognise their contribution to the Company and enable them to participate in the Company's future growth.</p>	
Approvals required	<p>: The Proposals are subject to the following approvals being obtained:</p> <p>(a) Bursa Securities, for the listing of and quotation for the Capitalisation Shares and up to 15.0% of the total number of issued shares of SCIB Shares to be issued pursuant to the exercise of the SOP Options and SGP Awards pursuant to the Proposed LTIP, on the Main Market of Bursa Securities;</p> <p>(b) SCIB's shareholders at the forthcoming EGM to be convened:</p> <p>(i) the Proposals; and</p> <p>(ii) waiver of their statutory pre-emptive rights under Section 85(1) of the Act to be offered new SCIB Shares to be issued pursuant to the Proposed Capitalisation and Proposed LTIP, which will result in a dilution of their shareholding percentage in the Company.</p>	Section 6



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Registration No.: 197501003884 (25583-W))
(Incorporated in Malaysia under the Companies Act 1965)

Registered Office:

Lot 1258
Jalan Utama
Pending Industrial Estate
93450 Kuching
Sarawak

16 February 2024

Board of Directors:

Dato' Sri Zaini Bin Jass (*Independent Non-Executive Chairman*)
Dato' Tan Bok Koon (*Independent Non-Executive Director*)
Ku Chong Hong (*Group Managing Director/ Chief Executive Officer*)
Chiew Jong Wei (*Executive Director*)
Sr. Mohd Nazri Bin Mat Noor (*Independent Non-Executive Director*)
Dr. Dang Nguk Ling (*Independent Non-Executive Director*)
Kang Wei Luen (*Independent Non-Executive Director*)
Liaw Way Gian (*Independent Non-Executive Director*)

To: The Shareholders of SCIB

Dear Sir/Madam,

- **PROPOSED CAPITALISATION; AND**
- **PROPOSED LTIP**

(COLLECTIVELY, THE "PROPOSALS")

1. INTRODUCTION

On 30 November 2023, M&A Securities had, on behalf of the Board, announced that SCIB had proposed to undertake the Proposed Capitalisation and Proposed LTIP.

On 29 January 2024, M&A Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 29 January 2024, resolve to approve the Proposals subject to the following conditions:

No.	Conditions	Status of compliance
(i)	SCIB and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
(ii)	M&A Securities to inform Bursa Securities upon the completion of the Proposed Capitalisation;	To be complied

No.	Conditions	Status of compliance
(iii)	M&A Securities to furnish Bursa Securities with a written confirmation of compliance with the terms and conditions of Bursa Securities' approvals once the Proposed Capitalisation is completed;	To be complied
(iv)	SCIB to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Capitalisation;	To be complied
(v)	M&A Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed LTIP pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation, together with the following: <ul style="list-style-type: none"> i. A certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed LTIP; and ii. Letter of compliance in relation to the By-Laws pursuant to Paragraph 2.12 of the Listing Requirements together with a copy of the final By-Laws. 	To be complied
(vi)	SCIB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of options under the Proposed LTIP as at the end of each quarter together with a detailed computation of listing fees payable;	To be complied
(vii)	M&A Securities / SCIB to provide quarterly updates via Bursa Link (simultaneously with the submission of Quarterly Report) on the following information relating to the Proposed LTIP: <ul style="list-style-type: none"> i. Date and aggregate number of options and shares offered since the commencement of the Proposed LTIP with the following breakdown: <p>Percentage (based on the total number of options and shares) offered for each bank as well as the number of allottees as follows:</p> <ul style="list-style-type: none"> • Executive Directors; • Independent Non-Executive Directors; • Senior Management; • Middle Management; • Executives; and • Junior Executives / clerical staffs ii. Date and aggregate number of options and shares exercised/vested since the commencement of Proposed LTIP with the following breakdown: 	To be complied

No.	Conditions	Status of compliance
	<p>Percentage (based on the total number of options and shares) offered for each bank as well as the number of allottees as follows:</p> <ul style="list-style-type: none"> • Executive Directors; • Independent Non-Executive Directors; • Senior Management; • Middle Management; • Executives; and • Junior Executives / clerical staffs 	
iii.	Total number of options and shares that remain outstanding.	
iv.	Exercise price of options (for each tranche) and basis in arriving at the exercise price.	
v.	Total proceeds raised from the options exercised and shares vested (if any) and breakdown of actual utilisation of proceeds.	

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

As at the LPD, SCIB has:

- (a) an issued share capital of RM166,258,892 comprising 640,241,285 SCIB Shares; and
- (b) 245,184,997 outstanding Warrants 2021/2024.

For illustrative purposes, the effects of the Proposals shall be based on the following scenarios:

- Minimum Scenario** : Assuming none of the Warrants are exercised prior to the implementation of the Proposals
- Maximum Scenario** : Assuming all of the Warrants are exercised prior to the implementation of the Proposals

2.1 Proposed Capitalisation

On 30 November 2023, SCIB and SCIB Properties had entered into a Capitalisation Agreement with Goh Hardware to settle the Capitalisation Amount via the issuance of Capitalisation Shares at the Issue Price.

Pursuant to the Capitalisation Agreement, SCIB shall repay the Capitalisation Amount owing by SCIB Properties to the Creditor based on the cut-off date as at the 1 November 2023 ("**Cut-off Date**") via the issuance of Capitalisation Shares at the Issue Price, as set out below:

Creditor	Amount owing to Creditor as at the Cut-Off Date	Amount to be settled	Issue Price	No. of Capitalisation Shares to be issued
	RM	RM	RM	
Goh Hardware	11,301,266.80	11,301,266.80	0.6110	18,496,345

2.1.1 Information on Goh Hardware

Goh Hardware was incorporated under the Act on 22 May 2015 as a private limited company.

As at the LPD, the issued share capital of Goh Hardware is RM1.25 million comprising 1.25 million ordinary shares. Goh Hardware is principally involved in as general contractors and builders, hardware suppliers, as well as the provision of construction and building materials.

As at the LPD, the directors of Goh Hardware are Goh Hui Min and Goh Lup Ping.

As at the LPD, the shareholdings of the shareholders of Goh Hardware are as follows:

Shareholders	Direct		Indirect	
	No. of share	%	No. of shares	%
Goh Ah Tee	500,000	40.00	-	-
Goh Hui Min	300,000	24.00	-	-
Goh Lup Ping	300,000	24.00	-	-
Lee Thay	150,000	12.00	-	-

As at the LPD, Goh Hardware, their directors and shareholders does not hold any Shares or Warrants in SCIB.

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The proforma effects of the Proposed Capitalisation on the shareholdings of Goh Hardware in SCIB are as follows:

Minimum Scenario

Names	As at the LPD				(I) After Proposed Capitalisation			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
Goh Hardware	-	-	-	-	18,496,345	2.81	-	-
Goh Ah Tee	-	-	-	-	-	-	⁽³⁾ 18,496,345	2.81
Goh Hui Min	-	-	-	-	-	-	⁽³⁾ 18,496,345	2.81
Goh Lup Ping	-	-	-	-	-	-	⁽³⁾ 18,496,345	2.81

Notes:

- (1) Based on issued Shares of 640,241,285 in SCIB.
- (2) Based on the enlarged issued Shares of 658,737,630 in SCIB.
- (3) Deemed interested by virtue of their shareholdings in Goh Hardware, pursuant to Section 8 of the Act.

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Maximum Scenario

Names	As at the LPD				(I) After full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	⁽¹⁾%	No. of Shares	⁽¹⁾%	No. of Shares	⁽²⁾%	No. of Shares	⁽²⁾%
Goh Hardware	-	-	-	-	-	-	-	-
Goh Ah Tee	-	-	-	-	-	-	-	-
Goh Hui Min	-	-	-	-	-	-	-	-
Goh Lup Ping	-	-	-	-	-	-	-	-

Names	(II) After (I) and Proposed Capitalisation			
	Direct		Indirect	
	No. of Shares	⁽³⁾%	No. of Shares	⁽³⁾%
Goh Hardware	18,496,345	2.05	-	-
Goh Ah Tee	-	-	⁽⁴⁾ 18,496,345	2.05
Goh Hui Min	-	-	⁽⁴⁾ 18,496,345	2.05
Goh Lup Ping	-	-	⁽⁴⁾ 18,496,345	2.05

Notes:

- (1) Based on issued Shares of 640,241,285 in SCIB.
- (2) Based on the enlarged issued Shares of 885,426,282 in SCIB.
- (3) Based on the enlarged issued Shares of 903,922,627 in SCIB.
- (4) Deemed interested by virtue of their shareholdings in Goh Hardware, pursuant to Section 8 of the Act.

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2.1.2 Nature of debt owing to Goh Hardware

On 24 October 2019, SCIB Properties, a wholly owned subsidiary of SCIB, had accepted letters of awards for 2 EPCC contracts, details of which are as follows:

Project details/ scope	Client	Project owner	Project value (RM)	Duration
Main Building Works Phase 1 Package C: Independent utility facility ("IUF") at Kota Tinggi, Johor	Edaran Kencana ⁽¹⁾	SDD ⁽²⁾⁽³⁾	25,252,874.85	8 November 2019 to 7 June 2020
Main Building Works Phase 1 Package C: Maintenance, repair and overhaul ("MRO") at Kota Tinggi, Johor	Edaran Kencana ⁽¹⁾	SDD ⁽²⁾⁽³⁾	32,948,520.05	8 November 2019 to 7 June 2020

Notes:

- (1) Edaran Kencana is an associate of SCIB, whereby SCIB Properties holds 30% equity interest in Edaran Kencana and the remaining 70.0% equity interest in Edaran Kencana is hold by Mohammad Ikrami Bin Ahmad Sukri (10.0%), Rosli Bin Hamat (39.0%) and Saiful Azrin Bin Fudzil (21.0%), collectively. Edaran Kencana's principal activities are as a general contractor and builder, engineering consultancy and other related services.
- (2) The ultimate shareholder for SDD is Serba Dinamik Group Berhad, whereby Serba Dinamik Group Berhad holds 100% equity interest in SDD.
- (3) SDD (and its ultimate shareholder) does not have any direct relationship with Edaran Kencana. However, YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah ("**Dato' Karim**") who is the Managing Director / Chief Executive Officer of SDD was a former Non-Independent Non-Executive Chairman of SCIB and was the single largest shareholder as well as a substantial shareholder of SCIB. Dato' Karim was redesignated as the Non-Independent Non-Executive Director of SCIB from the chairman position on 25 October 2022. On 8 December 2022, he retired and did not offer himself for re-election as the Company's Director of SCIB at the 46th Annual General Meeting of the Company held on 8 December 2022. On 10 July 2023, the Company received a notification from YBhg. Dato' Karim regarding his cessation as a substantial shareholder on 30 June 2023.

Subsequently on 4 November 2019, SCIB Properties had awarded the abovementioned projects to Goh Hardware with the following contract value:

Project details/ scope	Contract value (RM)
Main Building Works Phase 1 Package C: Independent utility facility (IUF) at Kota Tinggi, Johor	24,050,357.00
Main Building Works Phase 1 Package C: Maintenance, repair and overhaul (MRO) at Kota Tinggi, Johor	31,379,542.90

On 22 November 2022, SCIB Properties had issued notices of termination to Edaran Kencana to mutually terminate the abovementioned projects, and unconditionally release and forever discharge both parties from all claims, liens and obligations of every nature arising out of or in connection with the performance of the works and all amendments thereto save and except that Edaran Kencana shall not be discharged of their obligation to pay the sum owing and due to SCIB Properties as stated in the notices of termination. As at the LPD, the amount owed by Edaran Kencana to SCIB Properties amounted to RM15,036,434.18. SCIB had terminated the abovementioned projects due to slow payment and long outstanding debts owing by the project owner.

As at the LPD, the total debt owing by SCIB Properties to Goh Hardware of RM11,301,266.80 is free from interest.

Pursuant to the Capitalisation Agreement, the total amount of RM11,301,266.80 shall be repaid through capitalisation via issuance of the Capitalisation Shares within 1 month from the date the conditions precedent being fulfilled or such extended period as the parties to the Capitalisation Agreement may mutually agree in writing as set out in Section 2.1.3 this Circular.

The nature of debt amounting to RM11,301,266.80 is as follows:

<u>Date of invoice</u>	<u>Description of amount</u>	<u>Outstanding amount</u> <u>RM</u>
Main Building Works Phase 1 Package C: Independent utility facility (IUF) project		
10 December 2020	Progress payment	1,585,464.71
31 December 2020	Progress payment	1,561,052.27
29 January 2021	Progress payment	1,001,524.90
31 March 2021	Progress payment	500,199.22
From 20 December 2019 to 31 March 2021	Project retention	1,202,517.85
From 20 December 2019 to 31 March 2021	Retention for performance bond	628,935.50
Main Building Works Phase 1 Package C: Maintenance, repair and overhaul (MRO)		
20 November 2020	Progress payment	9,307.37
10 December 2020	Progress payment	716,147.60
31 December 2020	Progress payment	539,582.15
29 January 2021	Progress payment	800,016.26
31 March 2021	Progress payment	700,345.21
From 17 December 2019 to 31 March 2021	Project retention	1,370,782.51
From 17 December 2019 to 31 March 2021	Retention for performance bond	685,391.25

<u>Date of invoice</u>	<u>Description of amount</u>	<u>Outstanding amount</u> <u>RM</u>
Amount outstanding as at the LPD		11,301,266.80

2.1.3 Salient terms of Capitalisation Agreement

The salient terms of the Capitalisation Agreement are set out in Appendix I of this Circular.

2.1.4 Basis and justification of determining the Issue Price

The Board had fixed the issue price of the Capitalisation Shares at RM0.6110 each after taking into consideration the following:

- (a) the 5D-VWAMP of SCIB Shares up to and including the LTD of RM0.6898 per Share and the 1-month VWAMP of SCIB Shares up to and including LTD of RM0.6133. The Issue Price represents a discount of 11.42% and 0.38% to the 5D-VWAMP up to and including the LTD of RM0.6898 and 1-month VWAMP up to and including the LTD of RM0.6133 respectively which the Board deemed such discount to be sufficiently attractive to entice the Creditor to accept the Proposed Capitalisation in shares instead of cash after negotiation with the Creditor as this will allow SCIB to reduce its overall debt burden, improving its financial health and maintain positive relations with the Creditor.

In addition, the discount taken into consideration the market risk of SCIB Shares to be assumed by the Creditor such as economic uncertainties which can be influenced by factors such as inflation, interest rates, market sentiments, liquidity of SCIB Shares as well as volatility of the equity markets.

- (b) as a gesture of goodwill to Creditor as the outstanding amount dates back to November 2020 to March 2021; and
- (c) the rationale for the Proposed Capitalisation as sets out in Section 3.1 of this Circular.

After considering the above, the Board is of the opinion that the Issue Price is fair and reasonable.

2.1.5 Ranking of the Capitalisation Shares

The Capitalisation Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the Capitalisation 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 Capitalisation Shares.

2.1.6 Listing of and quotation for the Capitalisation Shares

On 29 January 2024, Bursa Securities approved the listing of and quotation for the Capitalisation Shares on the Main Market of Bursa Securities, subject to the conditions as set out in Section 1 of this Circular.

2.2 Proposed LTIP

The Proposed LTIP entails the establishment of a scheme which comprises the Proposed SGP and Proposed SOP to attract, retain, motivate and reward the Eligible Persons, in accordance with the By-Laws.

The Proposed LTIP will be administered by the LTIP Committee and governed by the By-Laws. The LTIP Committee will have absolute discretion in administering the Scheme including prescribing financial and performance criteria and such other conditions as it may deem fit.

The salient features of the Proposed LTIP, details of which will be governed by the By-Laws, are set out in the ensuing sections.

2.2.1 Proposed SGP

The Proposed SGP is intended to allow SCIB to reward the Eligible Persons through SGP Awards, subject to the terms and conditions of the By-Laws.

Upon acceptance of the SGP Participants, the SGP Awards will be vested to the SGP Participants at no consideration over the duration of the Proposed LTIP, subject to the SGP Participants fulfilling the vesting conditions as may be determined by the LTIP Committee in accordance with the By-Laws. The reference price of the SGP Awards to be awarded will be determined based on the fair value of the SGP Awards, which will take into account, amongst others, the market price of the Shares as at or prior to the award date of the SGP Awards.

2.2.2 Proposed SOP

The Proposed SOP is intended to allow SCIB to reward the Eligible Persons through the SOP Awards, subject to the terms and conditions of the By-Laws.

Upon acceptance of the SOP Awards by the SOP Participants, the SOP Awards will be vested to the SOP Participants at the Option Price over the duration of the Proposed LTIP, subject to the SOP Participants fulfilling the vesting conditions as may be determined by the LTIP Committee in accordance with the By-Laws.

Subject to any adjustments to be made under the By-Laws and pursuant to the Listing Requirements, the Option Price shall be based on a price to be determined by the Board upon recommendation of the LTIP Committee based on the 5D-VWAMP of SCIB Shares immediately preceding the award date of the SOP Awards with a discount of not more than 10.0% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Proposed LTIP.

2.2.3 Salient terms of the Proposed LTIP

(a) Maximum number of SCIB Shares available under the Proposed LTIP

The maximum number of SCIB Shares which may be made available under the Scheme shall not in aggregate exceed 15.0% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the Proposed LTIP.

(b) Basis of allocation and maximum allowable allocation

Subject to Section 2.2.3(a) of this Circular and any adjustment which may be made under the By-Laws, the maximum number of new SCIB Shares to be awarded to an Eligible Person under the Proposed LTIP at any point of time in each LTIP Awards shall be at the sole and absolute discretion of the LTIP Committee after taking into

consideration, inter alia, the Eligible Person's designation, length of service, work performance and/or such other factors as the LTIP Committee deems fit, and subject to the following conditions:

- (i) the total number of SCIB Shares made available under the Scheme shall not exceed the amount set out in Section 2.2.3(a) above;
- (ii) not more than 10.0% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds 20.0% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (iii) up to 50.0% of the total number of SCIB Shares which may be made available under the Scheme could be allocated, in aggregate, to the Directors and senior management of SCIB Group who are Eligible Persons (where "**senior management**" (being persons who have primary responsibility for the business operations of the Group as determined by the LTIP Committee) shall be subject to any criteria as may be determined at the sole discretion of the LTIP Committee from time to time);
- (iv) the rationale of allocating up to 50.0% of the total shares made available under the Scheme to the Directors and senior management of SCIB Group is to recognise their contribution to the Company and enable them to participate in the Company's future growth.
- (v) the Directors and senior management of SCIB Group shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any,

PROVIDED ALWAYS THAT it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

The LTIP Committee shall determine the maximum number of SCIB Shares for the LTIP Awards that will be made available to an Eligible Person under the Scheme, in the manner provided in the By-Laws in relation to each class or grade of Directors and employees and the aggregate maximum number of LTIP Awards that can be awarded to the Directors and employees under the Scheme from time to time, and the decision of the LTIP Committee shall be final and binding.

The LTIP Committee may, at its sole and absolute discretion, determinate whether the LTIP Awards to the Eligible Person(s) will be made on a staggered basis over the duration of the Scheme or in a single award and/or whether the LTIP Awards are subject to any vesting period and if so, to determine the vesting conditions.

(c) Eligibility

Subject to the sole discretion of the LTIP Committee, only Eligible Persons who fulfil the following conditions as at the LTIP Award Date shall be eligible to participate in the Scheme:

- (i) in respect of an employee, the employee must fulfil the following criteria as at the LTIP Award Date:
 - (aa) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (bb) is employed by SCIB Group on a full-time basis or serving in a specific designation under an employment contract with SCIB Group for a fixed duration (or any other contract as may be determined by the LTIP Committee) and is on the payroll of any company within SCIB Group and has not served a notice of resignation or received notice of termination;
 - (cc) must have been in employment of the SCIB Group for a period of at least 6 months prior to the LTIP Award Date;
 - (dd) is confirmed in writing as a full-time Employee of SCIB Group prior to and up to the LTIP Award Date; and
 - (ee) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.

- (ii) in respect of an executive Director, the executive Director must fulfil the following criteria as at the LTIP Award Date:
 - (aa) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (bb) is appointed as an executive Director of the Company and/or any company within the SCIB Group for such periods as may be determined by the LTIP Committee prior to and up to the LTIP Award Date; and
 - (cc) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.

- (iii) in respect of a non-executive Director, the non-executive Director must fulfil the following criteria as at the SOP Award Date:
 - (aa) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (bb) is appointed as a non-executive Director of the Company or any company within SCIB Group for such periods as may be determined by the LTIP Committee prior to and up to SOP Award Date; and
 - (cc) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.

For avoidance of doubt, the non-executive Directors are not eligible to participate in the Proposed SGP.

Notwithstanding the above, the LTIP Committee may, at its absolute discretion, waive any of the eligibility conditions as set out above. The eligibility and number of LTIP Award(s) to be awarded to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.

Subject to the above, the LTIP Committee may from time to time at its own discretion decide on the performance targets to be achieved by the LTIP participants before the LTIP Awards can be vested.

Eligibility under the Scheme does not confer on an Eligible Person any claim or right to participate in or any right whatsoever under the Scheme, and the Eligible Person does not acquire or has any right over or in connection with the LTIP Award(s) unless the LTIP Award(s) has been made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the LTIP Award(s) in accordance with the provisions of the By-Laws.

(d) Duration and termination of the Scheme

The Scheme, when implemented, shall be in force for a period of 5 years from the effective date of the Scheme ("**Effective Date**"). The Company may, if the Board deems fit and upon the recommendation of the LTIP Committee, extend the Scheme for a period of up to a maximum of 5 years, commencing from the day after the date of expiration of the original 5 years period, and shall not in aggregate exceed 10 years from the Effective Date or such longer period as may be permitted by Bursa Securities or any other relevant authorities. Such extended Scheme shall be implemented in accordance with the terms of the By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals from the shareholders of the Company shall be required for the extension of the Scheme and the Company shall serve appropriate notices on each LTIP participant(s) and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within 30 days prior to the date of expiry or such other period as may be stipulated by Bursa Securities.

The Scheme may be terminated by the LTIP Committee at any time before the date of expiry of the Scheme provided that an announcement is released to Bursa Securities on the following:

- (i) the effective date of termination ("**Termination Date**");
- (ii) the number of the SCIB Shares vested pursuant to the SGP and/or number of SOP Option(s) exercised pursuant to the SOP; and
- (iii) the reasons and justification for termination.

In the event of termination as stipulated in the above, the following provisions shall apply:

- (i) no further LTIP Award(s) shall be awarded by the LTIP Committee from the Termination Date;
- (ii) all LTIP Award(s) which have yet to be accepted by the Eligible Persons, shall automatically lapse and become null and void on the Termination Date; and
- (iii) any LTIP Award(s) which have yet to be vested or exercised (as the case may be and whether fully or partially) awarded under the Scheme shall be deemed cancelled and be null and void.

Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of LTIP participant(s) who have yet to be vested their LTIP Awards

and/or exercise their vested SOP Options are not required to effect a termination of the Scheme.

(e) Rights attaching to SCIB Shares

The SCIB Shares arising upon vesting of SGP Awards and/or exercising of the SOP Options shall, upon allotment and issuance, rank equally in all respects with the existing SCIB Shares and shall:

- (i) be subject to the provisions of the Constitution; and
- (ii) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing SCIB Shares, the record date for which is on or after the date on which the SCIB Shares are credited into the CDS Account of the LTIP participant(s) and shall in all other respects rank equally with other existing SCIB Shares then in issue.

Notwithstanding any provision in the By-Laws, the LTIP participant(s) shall not be entitled to any rights, dividends or other distributions attached to the Shares prior to the date on which such SCIB Shares are credited into their respective CDS Accounts.

(f) Retention period

The new SCIB Shares arising upon vesting of SGP Awards and/or exercising of the SOP Options will not be subjected to any retention period or restriction on transfer unless otherwise as stated in the LTIP Award(s) as determined by the LTIP Committee from time to time. However, LTIP participant(s) are encouraged to hold the SCIB Shares as a long-term investment and not for any speculative and/or realisation of any immediate gain. The expression "**retention period**" shall mean the period in which the SCIB Shares awarded and issued pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the LTIP participant(s).

Notwithstanding to the above, the LTIP Committee shall be entitled, at its discretion, to prescribe or impose, in relation to any LTIP Award(s), any condition relating to any retention period or restriction on transfer (if applicable) as the LTIP Committee sees fit.

An eligible Director who is a non-executive Director in the Group shall not sell, transfer or assign the Shares obtained through the exercise of the SOP Options granted to him within 1 year from the SOP Award Date.

(g) Alteration in share capital and adjustment

Subject to the adjustment provisions of the By-Law, in the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of capitalisation of profits or reserves, rights issue, bonus issue, consolidation or subdivision of the SCIB Shares or reduction in share capital (save for set-off against accumulated losses) or any other variation of capital shall take place during the duration of the Scheme, the Company shall cause such adjustment to be made:

- (i) in relation to the SGP:
 - (aa) the number of Shares comprised in the SGP Award(s) to the extent not yet vested; and/or
 - (bb) the method and/or manner in the vesting of the Shares comprised in the SGP Award(s).

- (ii) in relation to the SOP:
 - (aa) the Option Price and/or number of SOP Options comprised in the SOP Award(s) to the extent not yet vested or exercised; and/or
 - (bb) the method and/or manner in the vesting of the SOP Options comprised in the SOP Awards.

Any adjustments must be confirmed in writing by the Company's external auditors or principal adviser (acting as experts and not as arbitrators), upon reference to them by the LTIP Committee, to be in their opinion, fair and reasonable.

(h) Listing of and quotation for the new SCIB Shares

SCIB shall make an application to Bursa Securities for the listing of and quotation for such number of new SCIB Shares, representing up to 15.0% of the total number of issued SCIB Shares (excluding treasury shares, if any) to be issued pursuant to the Proposed LTIP on the Main Market of Bursa Securities.

(i) Utilisation of proceeds

The proceeds arising from the exercise of the SOP Options will depend on, amongst others, the number of SOP Options granted and exercised at the relevant point in time as well as the Option Price. As such, the actual amount of proceeds arising from the exercise of the SOP Options as well as the timeframe for the utilisation of proceeds cannot be determined at this juncture.

Nevertheless, the Company intends to utilise the proceeds arising from the exercise of the SOP Options, if any, as working capital for the Group which commensurate with the business operations of the Group. The working capital raised to be from the exercise of the SOP Options will be utilised to finance the Group's general working capital requirements which shall include administrative expenses such as staff salaries, group overhead expenses (i.e. utilities, upkeep of office premise), Directors' remuneration, employer's statutory contribution, purchase of raw materials and other miscellaneous operating expenses.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Capitalisation

On 24 October 2019, SCIB Properties has received the Letter of Award ("**LOA**") for both IUF and MRO EPCC contracts from Edaran Kencana and have started the projects simultaneously according to the milestones agreed. SCIB Properties has completed the IUF project up to 52.30% and the total invoice issued for the IUF project amounted to RM11,284,619.53 as at 29 March 2021, which SCIB Properties has collected its payment of RM6,403,966.37. For MRO project, SCIB Properties has completed up to 43.68% and the total invoice for the MRO project amounted to RM12,234,284.16 as at 29 March 2021, which SCIB Properties has collected its payment of RM6,160,521.01. The total retention sum of the IUF project and MRO project amounted to RM4,082,017.87. Hence the total amount owing by Edaran Kencana including the retention sum amounted to RM15,036,434.18. The payment term is 30 days from the date of invoice sent by SCIB Properties to Edaran Kencana and late payment interest clause is not stated in the LOA between SCIB Properties and Edaran Kencana.

Subsequently, SCIB Properties had issued 3 Letter of Demand ("**LOD**") dated on 17 February 2022, 18 May 2022 and 20 July 2022 for the sum of RM15,036,434.18 owing by Edaran Kencana towards SCIB Properties for both EPCC contracts of IUF and MRO accumulatively.

On 22 November 2022, SCIB Properties had issued notices of termination to Edaran Kencana to mutually terminate the abovementioned projects, and unconditionally release and forever discharge both parties from all claims, liens and obligations of every nature arising out of or in connection with the performance of the works and all amendments thereto save and except that Edaran Kencana shall not be discharged of their obligation to pay the sum owing and due to SCIB Properties as stated in the notices of termination.

The recovery effort for the sum owing by Edaran Kencana has been made frequently by the management and the directors of SCIB subsequent to the notice of termination to Edaran Kencana. Due to the financial difficulties faced by SDD, it had also resulted in the non-payment from Edaran Kencana for the said project which SCIB Properties and Goh Hardware were directly affected on the non-payment as well.

Subsequently, the management of SCIB, having assessed the financial position of Edaran Kencana based on the audited financial statements and the latest management account of Edaran Kencana as of December 2022 and September 2023, is of the view that the ability for SCIB to recover its debt is minimal even if it pursues to the extent of winding up the company. The latest financial reports show that Edaran Kencana current liabilities exceeded its current assets by RM13,793,500 (September 2023) and RM13,734,107 (December 2022) and it has a deficit in its shareholders' fund of RM13,782,006 (September 2023) and RM13,720,356 (December 2022). The continuation of the recovery effort depends on Edaran Kencana's ability to attain future profitable operations and continuous financial support from its shareholders and creditors.

Premised on the above, the management is of the view that there is low possibility to recover the debt from Edaran Kencana despite the LOD issued from Edaran Kencana to SDD dated 22 February 2022 and 7 June 2022 respectively, to recover the long outstanding debts remains unresponsive by the respective parties.

Based on the latest audited financial statements and latest quarterly results of the Group, the cash and bank balances stood at RM29,688,089 and RM14,455,990 as of 30 June 2023 and 30 September 2023 respectively, whereas the short-term deposits stood at RM10,420,927 and RM10,496,397 as of 30 June 2023 and 30 September 2023 respectively. There is a decrease for cash and bank balances based on both latest audited financial statement and quarterly results. Hence, the Board is of the view that the settlement of the Capitalisation Amount via the issuance of Capitalisation Shares to the Creditor is the most appropriate method as it would enable the Group to:

- (a) settle the indebtedness without incurring additional debt obligation/ interest expenses by the Group;
- (b) strengthen the Company's equity base as well as the NA and gearing ratio of the Company as a result of the increase in the share capital of the Company; and;
- (c) preserve its cash for other purposes, such as working capital requirements.

In addition, SCIB need to settle the outstanding debt toward Goh Hardware at this point of time due to Goh Hardware had commence legal action against SCIB on 24 July 2023. However, both parties have negotiated and Goh hardware agreed to withdraw the legal action subject to entering capitalisation agreement, which was duly executed on 30 November 2023.

3.2 Proposed LTIP

The implementation of the Proposed LTIP primarily serves to align the interests of Eligible Persons to the corporate goals of the Group. The Proposed LTIP will provide Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:

- (a) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (b) to reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of SCIB Shares;
- (c) to make the Group's remuneration scheme more competitive to attract more skilled and experienced individuals to join the Group and contribute to its continued growth;
- (d) to motivate the Eligible Persons towards achieving improved performance through greater productivity and loyalty;
- (e) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and

Despite the Group is loss-making for the past 4 out of 5 financial years, the Company is undertaking the LTIP as a part of a reward scheme to reward Eligible Employee for their participation and effort to turn around the company.

Employees who fulfil the criteria set out in the By-Laws of the Company are entitled to both the SOP and SGP. The reasons for such entitlement are to ensure the granting of SOP and SGP align the interests of employees with the shareholders of the Company, fostering a shared commitment to the Company's success and overall performance. The Proposed SOP is also extended to the Non-Executive Directors of SCIB to recognise their contribution to the Company and enable them to participate in the Company's future growth.

3.3 Details of fund-raising exercise undertaken in the past 12 months

Save as disclosed below, the Board confirms that the Company has not implemented any other fund-raising exercises within the 12 months preceding the date of this Circular.

On 6 September 2023, the Company had completed Private Placement 2023. The details and status of the utilisation from the Private Placement 2023 as at the LPD are as follows:

Details of utilisation proceeds	of	Actual proceeds raised RM'000	Actual utilisation up to the LPD RM'000	Balance for utilisation RM'000	Estimated timeframe for utilisation from the listing of placement shares
Working capital		3,753	3,753	-	Within 12 months
Repayment of bank borrowings		8,859	8,859	-	Within 12 months
Estimated expenses		147	147	-	Within 3 months
Total		12,759	12,759	-	

4. INDUSTRY OVERVIEW AND OUTLOOK OF THE GROUP

4.1 Overview and prospects of the Malaysian Economy

The Malaysian economy further expanded in the first quarter of 2023 (5.6%; fourth quarter of 2022: 7.1%; first quarter of 2011 – fourth quarter of 2019 average: 5.1%), driven mainly by domestic demand. Further improvement in the labour market, with strong growth in employment and continued expansion in wages, have supported private consumption spending. Meanwhile, investment activity was underpinned by capacity expansion and continued implementation of multi-year projects. Inbound tourism continued to recover, lifting services exports and partially offsetting the slower goods export growth. On the supply side, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (fourth quarter of 2022: -1.7%).

Headline inflation during the quarter trended lower to 3.6% (fourth quarter of 2022: 3.9%). This was due mainly to the moderation in core inflation and lower RON97 price. The decline in core inflation (first quarter of 2023: 3.9%; fourth quarter of 2022: 4.2%) was largely contributed by selected services. These include telephone and telefax service, food away from home, and personal transport repair and maintenance. Even as cost pressures, particularly global commodity prices, continued to ease, core inflation remained elevated during the quarter amid continued strength in demand. Price pressures remained pervasive. The share of Consumer Price Index ("**CPI**") items recording monthly price increases rose to 56.0% during the quarter (fourth quarter of 2022: 51.2%). This in part reflected price adjustments by firms typically done at the beginning of the year (first quarter average from 2011 - 2019: 52.2%; Overall average from 2011 - 2019: 45.6%), as well as continued price increases for some food-related items.

Domestic financial conditions remained broadly stable despite uncertainties surrounding the global economic outlook. Financial market expectations for US monetary policy were affected by evolving concerns over the US economy. These include the pace of disinflation and sustainability of its economic momentum. By the end of the quarter, risks from banking sector stress in the US and Europe weighed further on these expectations. As a result, the US dollar broadly depreciated amid shifting sentiments surrounding these developments, reversing its appreciation gains during first half of the quarter.

Against this backdrop, the ringgit continued to exhibit two-way movements with an overall marginal appreciation of 0.1% against the US dollar during the quarter. Moving forward, Bank Negara Malaysia will continue to closely monitor the global and domestic financial conditions while ensuring orderly financial market adjustments.

Credit to the private non-financial sector expanded by 4.2% (fourth quarter of 2022: 4.7%). This was accounted mainly by slower growth in outstanding loans (first quarter of 2023: 4.7%; fourth quarter of 2022: 5.7%) and outstanding corporate bonds (first quarter of 2023: 4.4%, fourth quarter of 2022: 4.6%). Outstanding business loans grew by 2.4%, following slower growth in working capital loans. Nonetheless, investment-related loans remained forthcoming, especially in the SME segment. For households, outstanding loan growth expanded by 5.2%. This was supported by sustained growth in outstanding loans for the purchase of big-ticket items, with higher growth recorded particularly for car purchases.

Despite global headwinds, the Malaysian economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. Improving employment and income as well as continued implementation of multi-year projects would support consumption and investment activity. Moreover, higher inbound tourism activity would lift high-touch services industries. Governor Tan Sri Nor Shamsiah Mohd Yunus said, "Risks to Malaysia's growth outlook are relatively balanced. Upside risks stem mainly from domestic factors. These include stronger-than-expected tourism activity and implementation of projects including those from the re-

tabled Budget 2023. Meanwhile, downside risks could emanate from lower exports due to weaker-than-expected global growth and more volatile global financial market conditions.”

Headline and core inflation are expected to moderate but would remain above historical average in 2023. The moderation reflects lower global cost factors amid easing supply chain disruptions and lower commodity prices. However, core inflation will remain at elevated levels amid firm demand conditions. Existing price controls and fuel subsidies will continue to partly contain the extent of upward inflationary pressures. The balance of risk to the inflation outlook is tilted to the upside and remains highly subject to any changes in domestic policy, financial market developments and global commodity prices.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2023, Bank Negara Malaysia, published on 12 May 2023)

4.2 Overview of building and construction industry in Malaysia

Between 2016 and 2019, Malaysia’s total property transaction value increased from RM113.5 billion to RM116.2 billion at a CAGR of 0.8%. From this, the residential property transactions rose from RM65.6 billion to RM72.4 billion at a CAGR of 3.3%, while the industrial property segment increased from RM12.0 billion to RM14.8 billion at a CAGR of 7.3%. Comparatively, the commercial property segment declined at a rate of 6.9%, from RM35.9 billion to RM29.0 billion during the same period.

Total property transaction value in 2020 was RM98.2 billion, a 15.5% drop from the RM116.2 billion recorded in 2019. Correspondingly in the same year, residential property transactions dropped to RM65.9 billion (from RM72.4 billion in 2019).

Construction activities in the residential and non-residential subsectors remained subdued following extended periods of lockdown and reduced operating capacity. Nevertheless, the easing of the containment measures since August 2021 and the reopening of the economy supported gradual improvement in construction activities towards the end of 2021. The further recovery of the economy as well as ongoing construction activity in large infrastructure projects and implementation of small-scale projects under Budget 2022 positively impact the construction sector in 2022.

In 2021, the property market began showing signs of recovery as total property transactions rose to RM121.8 billion at a year-on-year growth rate of 24.0%. Correspondingly, industrial property transactions rose to RM17.0 billion (2020: RM12.8 billion) at a year-on-year growth rate of 32.8%, while commercial property transactions rose to RM27.9 billion (2020: RM19.5 billion) at a year-on-year growth rate of 43.1%.

In 2022, total property transactions rose further to RM148.1 billion at a year-on-year growth rate of 21.6%. During the year, industrial property transactions rose to RM21.2 billion (2021: RM17.0 billion) at a year-on-year growth rate of 24.7%, while commercial property transactions rose to RM32.6 billion (2021: RM27.9 billion) at a year-on-year growth rate of 16.8%.

Bank Negara Malaysia reiterated that the Malaysian economy will expand between 4.0% and 5.0% in 2023, supported by firm domestic demand amid continued improvements in the labour market. Growth would also benefit from the realisation of large infrastructure projects as well as higher tourist arrivals.

Under the Budget 2024, several allocations have been made in relation to the property sector, among which include:

- In 2023, the Government has mobilised a special team under the Ministry of Local Government Development (KPKT) to address issues on delayed, sick and abandoned

private housing projects that have burdened homebuyers. As of August 2023, 256 sick projects involving over 28,000 housing units have been restored, with a GDV of RM23.37 billion;

- Overall, a total of RM2.47 billion will be allocated to implement housing projects for the rakyat in 2024:
 - i. A special guarantee fund of RM1.0 billion has been allocated to encourage reputable developers to revive identified abandoned projects;
 - ii. A total of RM546 million is allocated to continue the implementation of 36 Program Perumahan Rakyat (PPR), including a new project in Kluang, Johor. 15 PPR projects are expected to be completed in 2024 to benefit 5,100 potential new residents;
 - iii. 14 Program Rumah Mesra Rakyat will continue, with the construction of 3,500 housing units with an allocation of RM358.0 million;
 - iv. The Government will allocate RM460.0 million to aid approximately 65,000 impoverished rural residents for the construction of new homes or the renovation of their existing dilapidated houses;
 - v. A sum of RM100.0 million is allocated for the maintenance of low and medium-cost public and private strata housing projects nationwide. This includes repairing water tanks, roofs, and electrical systems, as well as installing closed-circuit television cameras;
- The Government will provide guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan (SJKP) that will benefit 40,000 borrowers;
- As a measure to control property prices, the Government intends to impose a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia;
- The wellbeing of uniformed members and retirees will continue to be preserved:
 - i. RM400.0 million is provided for the maintenance and refurbishment of all Armed Forces Family Homes;
 - ii. RM20.0 million to upgrade the sewerage system of Malaysian army camp sewerage in phases; and
- In 2024, the Federal allocation for the development of Sarawak will increase to RM5.8 billion from RM5.6 billion. Meanwhile, for Sabah, the allocation will increase to RM6.6 billion compared to RM6.5 billion. To increase the effectiveness of the allocation, the Federal Government has also delegated the authority to implement development projects valued under RM50.0 million to technical agencies in Sabah and Sarawak.

The construction sector improved steadily by 6.8% in the first half of 2023 mainly driven by the civil engineering and special construction activities subsectors. The civil engineering subsector rebounded, supported by the acceleration of ongoing infrastructure and utilities projects, which include East Coast Rail Link and Large Scale Solar 4 projects. The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities.

The construction sector is forecast to expand by 5.9% in the second half of 2023 supported by growth in all subsectors. The residential buildings subsector is anticipated to remain encouraging on the back of Government's initiatives such as i-MILIKI and Housing Credit Guarantee Scheme in assisting first-time home buyers, spurring demand for home ownership. Similarly, the non-residential buildings subsector is envisaged to increase, particularly with the realisation of approved private investments. The continuous implementation of strategic infrastructure and utilities projects will further support the civil engineering subsector. For 2023, performance of the construction sector is expected to remain steady and grow by 6.3%. In pursuing the development of Sabah and Sarawak, a total of RM6.5 billion and RM5.6 billion, respectively were assigned under the development allocation for 2023. Efforts are underway to accelerate the construction of public infrastructure projects in Sabah and Sarawak including the Sabah Pan-Borneo Highway and Sarawak-Sabah Link Road. Moreover, public amenities in Sabah and Sarawak particularly in rural area have also been improved with the expansion of road and street lighting; improving water and electricity supply as well as increasing of healthcare facilities and schools. As of July 2023, a total of RM1.9 billion and RM2.2 billion has been spent on development in Sabah and Sarawak, respectively.

Under Budget 2024, initiatives that aim to support the construction industry include:

- To ensure stability and reduce electricity supply disruptions in Sabah, especially in the eastern area, the Federal Government will support the implementation of hybrid solar energy generation as well as the construction of a network of electricity transmission lines in southern Sabah;
- In 2024, 26 new preschools under the Ministry of Education will be built involving a cost of RM82.0 million. This includes the construction of preschools at Sekolah Kebangsaan Abang Kadir Gedong, Simunjan, Sarawak; Sekolah Kebangsaan Bunut Rendang, Kuantan, Pahang; and Sekolah Jenis Kebangsaan Cina Chabau, Melaka;
- In 2024, RM1.9 billion will be allocated to upgrade and maintain schools nationwide. This includes RM930 million for the upgrading of dilapidated buildings and infrastructure in 450 schools, comprising 185 projects in Sarawak and 155 projects in Sabah. A total of RM1.0 billion is allocated for the maintenance of all types of schools such as national, religious, and vernacular schools, including special education schools with a focus on the needs of students with autism;
- In 2024, the construction of 26 new schools will commence with a total cost of RM2.5 billion, including SMK Laya-Laya, Tuaran Sabah; SMK Baie, Bintulu, Sarawak; SMK Seri Melati, Kuantan, Pahang; SMK Bandar Universiti, Bandar Seri Iskandar, Perak; and SMK Binjai, Kota Bharu, Kelantan;
- The Government will continue to empower and protect the wellbeing of students with special needs. In 2024, 18 new special education blocks will be built with a total cost of RM180.0 million. This includes SMK Kubang Rotan, Kedah; SK Bandar Baru Perda, Pulau Pinang and SMK Dato' Ali Ahmad, Perlis;
- To increase the level of comfort and safety in institutes of higher education (IPT), RM300.0 million is provided to maintain and repair infrastructure as well as replace dilapidated equipment. This includes RM50.0 million for the procurement of equipment at four technical universities in Malaysia;
- Malaysia has yet to meet the ratio of one doctor to 400 patients. To this end, the accessibility to health facilities will continue to be increased to minimise congestion. In 2024, several new development projects will be implemented including:
 - i. Universiti Sains Islam Malaysia (USIM) Teaching Hospital Complex (USIM) Phase 1 in Kota Tinggi, Johor at a cost of RM938.0 million;

- ii. Preliminary work for the construction of Hospital Sultanah Aminah 2, Johor Bahru, Johor;
 - iii. Additional Pathology Block at Hospital Raja Perempuan Zainab II, Kelantan at a cost of RM175.0 million;
 - iv. Additional building for the Emergency and Trauma Department at Hospital Sultan Abdul Aziz Shah, Universiti Putra Malaysia, Serdang, Selangor; and
 - v. Five new health clinics including Rantau, Negeri Sembilan; Kuala Tahan, Jerantut, Pahang; Kuala Jengal, Dungun, Terengganu; and Pulau Mantanani, Kota Belud, Sabah at a cost of RM150.0 million;
 - vi. The Government also supports the establishment of a Cancer Institute in Sarawak;
- The commitment of the Unity Government to refurbish dilapidated clinics will be intensified. A total of RM300 million is allocated to refurbish 400 rundown clinics with wooden structures and dilapidated wiring;
 - To bridge the gap between regions, the improvement of rural infrastructure will continue to be a top priority:
 - i. RM1.63 billion is allocated for the construction and upgrading of roads in villages and rural areas including in Bachok, Kelantan; Tambun Tulang, Perlis; and Kuala Lukut to Chuah, Port Dickson, Negeri Sembilan;
 - ii. A total of RM939.0 million is allocated to provide water supply to 5,150 households and electricity supply to 2,200 households;
 - iii. RM134.0 million is allocated for the installation of 60,000 units of streetlights in villages and the maintenance of over 500,000 units of village streetlights;
 - iv. RM57.0 million for the implementation of 115 projects, including 54 new projects to upgrade deteriorated bridges and construct new bridges;
 - v. RM100.0 million is allocated for the upgrading, construction and repair of basic facilities such as community halls, town halls, paved walkways and covered pathways in villages and rural and remote areas under the Social Amenities Project;
 - A total of RM1.1 billion will be allocated, to implement solutions for water supply issues:
 - i. For the State of Kelantan, the construction project of the Machang Water Treatment Plant Phase 1 with a capacity of 250 million litres per day will be implemented to enhance the water supply reserve;
 - ii. To address the water supply issue, especially in Kota Kinabalu, Sabah, the focus will be on restoring and replacing infrastructure and equipment to enhance the capacity of water treatment plants; and
 - For the Federal Territory of Labuan, efforts are directed towards replacing dilapidated pipes and repairing existing infrastructure.

Providence expects the building and construction industry to perform relatively better in 2024, premised on the following:

- The real estate and business services subsector is poised to grow by 5.4% in 2024, attributed to sustained demand for professional services, particularly in the field of engineering following vigorous construction activities. In addition, the real estate segment is projected to improve owing to the increase in non-residential and residential property transactions; and
- The construction sector is forecast to increase by 6.8% in 2024 following better performance in all subsectors. The civil engineering subsector continues to be bolstered by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road, the Pan Borneo Sabah Highway and acceleration of projects under the Twelfth Malaysia Plan (2021 – 2025) (“**12MP**”). Furthermore, a new solar power plant project under the Corporate Green Power Programme will support the subsector’s growth. The implementation of the New Industrial Masterplan 2030 is expected to further strengthen the performance of non-residential buildings subsector as it will provide a platform to attract more investments into the country. In addition, the residential buildings subsector is projected to improve further in line with the Government’s effort to increase more affordable houses as outlined under the mid-term review of the 12MP and the MADANI Neighbourhood scheme, as well as new launching by the private sector.

(Source: Independent Market Research Report prepared by Providence)

4.3 Prospects of SCIB Group

The Board is of the view that the Proposed Capitalisation will enable SCIB Group to settle the Capitalisation Amount without incurring additional debt obligation or interest expenses, thereby strengthening SCIB Group’s equity base as well as NA through the capitalisation of debt into equity and improve the overall financial position of SCIB Group immediately after the settlement of Capitalisation Amount. In addition, the Proposed Capitalisation will allow SCIB 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 SCIB Group’s business. As at LPD, SCIB’s current projects do not involve SDD, Edaran Kencana or its related companies. Further, as there are no current projects which involved or related to SDD, Edaran Kencana or its related companies, there is no arrangement to offset the outstanding debt with the work to be done for any current projects.

During FYE 30 June 2024, SCIB Group intends to focus on the following strategies to grow its business:

- (a) Supporting Sarawak’s development plans through the supply of building materials

SCIB Group manufactures precast concrete products such as concrete spun pipes, prestressed spun concrete piles, reinforced concrete (“**RC**”) square piles, RC box culverts, prestressed girder beams, precast concrete Industrialised Building System (“**IBS**”) products, which are building materials for the construction of buildings, social amenities and infrastructure. Presently, SCIB Group has 3 factories with wharf facility and capacity to supply 500,000 tonnes of building materials annually across Borneo.

Further, SCIB Group is certified with ISO 9001:2015 Quality Management System by SIRIM QAS International Sdn Bhd, ISO 45001:2018 Occupational Health & Safety Management System certification and ISO 14001:2015 Environmental Management System certification by the National Institute of Occupational Safety and Health (NIOSH) Certification.

In pursuing the development of Sabah and Sarawak, the Government of Malaysia has allocated a total of RM6.5 billion and RM5.6 billion, respectively, under the development allocation for 2023. As of July 2023, a total of RM1.9 billion and RM2.2

billion has been spent on development in Sabah and Sarawak, respectively. The Government of Malaysia is accelerating the construction of public infrastructure projects in Sabah and Sarawak including the Sabah Pan-Borneo Highway and Sarawak-Sabah Link Road. Further in 2024, Malaysia's construction sector is forecast to increase by 6.8% supported by several ongoing projects such as the Central Spine Road, the Pan Borneo Sabah Highway and acceleration of projects under the 12MP.

SCIB Group's range of precast concrete and IBS products, quality certifications as well as its production capacity position it favourably to support the building materials requirements for large public infrastructure projects as well as building schools and social amenities projects in Sarawak and the wider Borneo region. Thus, SCIB Group will focus on continuously enhancing the manufacturing capabilities as this will position it favourably to capture opportunities to be appointed as a supplier of precast concrete and IBS products for large public infrastructure projects as well as building, and social amenities projects.

- (b) Focus on completing its current ongoing EPCC contracts and secure more EPCC projects

As at the LPD, SCIB Group is involved in 10 EPCC contracts in Peninsular Malaysia as well as Sarawak for infrastructure, schools, social amenities and residential building projects with total contract value of RM468.23 million. As Malaysia has transitioned into the endemic phase of COVID-19, SCIB Group does not foresee pandemic-related manpower limitations or capacity restrictions that would materially affect the progress of its ongoing projects.

The Government anticipates that the implementation of the New Industrial Masterplan 2030 will further strengthen the construction of non-residential buildings as it will provide a platform to attract more investments into Malaysia. Further, the Government's effort to increase more affordable houses under the mid-term review of the 12MP and the MADANI Neighbourhood scheme as well as launches by the private sector will boost the construction of residential building.

As a supplier of building materials, SCIB is positioned favourably to bid for and secure EPCC contracts for large public infrastructure projects as well as building schools, and social amenities projects especially in Sarawak. Coupled with the upcoming development plans announced by the Government for the state of Sarawak, SCIB Group will endeavour to secure more EPCC contracts to grow its order book and diversify its revenue.

(Source: Management of SCIB)

5. RISK FACTOR

5.1 Risk relating to the Proposed Capitalisation

5.1.1 Non-completion risk of the Proposed Capitalisation

The completion of the Proposed Capitalisation is subject to, amongst others, the fulfilment of the conditions precedent within the conditions precedent period, failing which may result in termination of the Capitalisation Agreement. As a result of such termination, the debts shall immediately become due and payable by SCIB Properties. In this respect, SCIB will take reasonable steps that are within its control to ensure completion of the Proposed Capitalisation, including but not limited to closely monitoring the progress of the Proposed Capitalisation and ensuring timely fulfilment of the conditions precedent within the conditions precedent period as stipulated in the Capitalisation Agreement.

6. FINANCIAL EFFECTS OF THE PROPOSALS

6.1 Issued share capital

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

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	640,241,285	166,258,892	640,241,285	166,258,892
Assuming full exercise of Warrants	-	-	245,184,997	⁽¹⁾ 433,977,445
	640,241,285	166,258,892	885,426,282	600,236,337
Capitalisation Shares to be issued pursuant to the Proposed Capitalisation	18,496,345	⁽²⁾ 11,301,267	18,496,345	⁽²⁾ 11,301,267
	658,737,630	177,560,159	903,922,627	611,537,604
New Shares to be issued pursuant to the Proposed LTIP	⁽³⁾ 98,810,600	⁽⁴⁾ 35,917,653	⁽³⁾ 135,588,300	⁽⁴⁾ 49,286,347
Enlarged issued share capital	757,548,230	213,477,812	1,039,510,927	660,823,951

Notes:

- (1) Assuming full exercise of 245,184,997 outstanding Warrants at RM1.77 each into 245,184,997 new SCIB Shares.
- (2) Based on the issuance of 18,496,345 Capitalisation Shares at the Issue Price.
- (3) Based on 15.0% of total number of issued shares and paid-up share capital of the Company.
- (4) For illustrative purposes only, calculated based on RM0.3635, being approximately 10.0% discount to the 5D-VWAMP of SCIB Shares up to and including the last trading day preceding the LPD of RM0.4038 per Share.

For the avoidance of doubt, the Proposed LTIP is not expected to have an immediate effect on the Company's share capital. The issued share capital of the Company will increase progressively depending on the number of new SCIB Shares to be issued arising from the exercise of the SOP Options that may be granted under the Proposed SOP and/or pursuant to the vesting of the new SCIB Shares under the SGP Awards.

6.2 NA and gearing

For illustration purposes only, based on SCIB latest audited consolidated financial statements for FYE 30 June 2023, the proforma effects of the Proposed Capitalisation on the consolidated NA and gearing of SCIB Group are shown below:

Minimum Scenario

	Audited as at 30 June 2023	(I) Proposed Capitalisation
	RM	RM
Share capital	166,258,892	⁽¹⁾ 177,560,159
Foreign exchange translation reserves	(1,620,774)	(1,620,774)
Accumulated losses	(81,980,231)	⁽²⁾ (82,380,231)
Shareholders' fund / NA	82,657,887	93,559,154
Non-controlling interest	864,955	864,955
Total equity	83,522,842	94,424,109
No. of Shares	640,241,285	658,737,630
NA per Share	0.13	0.14
Borrowings	48,903,545	48,903,545
Gearing (times)	0.59	0.52

Notes:

- (1) After the issuance of 18,496,345 Capitalisation Shares at the Issue Price.
- (2) After adjusting for the estimated expenses relating to the Proposals of approximately RM0.40 million.

Maximum Scenario

	Audited as at 30 June 2023	(I) ⁽¹⁾After assuming full exercise of Warrants	(II) After (I) and the Proposed Capitalisation
	RM	RM	RM
Share capital	166,258,892	600,236,337	⁽²⁾ 611,537,604
Foreign exchange translation reserves	(1,620,774)	(1,620,774)	(1,620,774)
Accumulated losses	(81,980,231)	(81,980,231)	⁽³⁾ (82,380,231)
Shareholders' fund / NA	82,657,887	516,635,332	527,536,599
Non-controlling interest	864,955	864,955	864,955
Total equity	83,522,842	517,500,287	528,401,554
No. of Shares	640,241,285	885,426,282	903,922,627
NA per Share	0.13	0.58	0.58
Borrowings	48,903,545	48,903,545	48,903,545
Gearing (times)	0.59	0.09	0.09

Notes:

- (1) Assuming full exercise of 245,184,997 outstanding Warrants at RM1.77 each into 245,184,997 new SCIB Shares.
- (2) After the issuance of 18,496,345 Capitalisation Shares at the Issue Price.

- (3) After adjusting for the estimated expenses relating to the Proposals of approximately RM0.40 million.

Save for the potential impact of the MFRS 2 issued by the Malaysian Accounting Standards Board as elaborated in Section 6.3 of this Circular, the Proposed LTIP is not expected to have an immediate effect on the NA, NA per Share and gearing of SCIB Group until such time when the Shares are issued and/or transferred arising from the vesting of the SGP Awards and/or exercise of the SOP Options pursuant to the Proposed LTIP.

Any potential effect on the NA, NA per Share and gearing of the SCIB Group in the future would depend on factors such as the method of satisfaction of the LTIP Awards, actual number of Shares to be issued and/or transferred which can only be determined at the point of the vesting of the SGP Awards and/or the exercise of the SOP Options and Option Price.

Upon the vesting of the SGP Awards pursuant to the Proposed LTIP, the NA per Share of the Group will decrease when the Shares are vested in satisfaction of the SGP Awards. Upon exercise of the SOP Options, the NA per Share is expected to:

- (a) increase if the Option Price is higher than the NA per Share; or
- (b) decrease if the Option Price is lower than the NA per Share,

at such point of exercise.

6.3 Losses and LPS

The Proposed Capitalisation is not expected to have any material effect on the earnings of the Group for the FYE 2023. However, the LPS of the Group is expected to be diluted as a result of the increase in the number of existing SCIB Shares upon issuance of the Capitalisation Shares.

The Proposed LTIP is not expected to have a material effect on the earnings of the Group. However, the LPS of the Group may be diluted, depending on the number of Shares issued and/or transferred to the LTIP participants pursuant to the vesting of the LTIP Awards.

In accordance with MFRS 2, the potential cost arising from the awarding of the LTIP Awards pursuant to the Proposed LTIP is required to be measured at fair value as at the LTIP Award Date and recognised as an expense in the consolidated statements of comprehensive income of the Company over the vesting period of such LTIP Awards, and may therefore reduce the future earnings of the Group, the quantum of which can only be determined at the LTIP Award Date.

The potential effects of the Proposed LTIP on the losses and LPS of the Group in the future, as a consequence of the recognition of the expense cannot be determined at this juncture as it would depend on various factors, which may include, amongst others, the actual number of SGP Awards vested and/or SOP Options exercised, the Option Price, the prevailing market price of SCIB Shares and the volatility of SCIB Share price, which will affect the fair value of the LTIP Awards awarded under the Proposed LTIP as at the LTIP Award Date.

It should be noted that such potential cost of awarding the LTIP Awards does not represent a cash outflow but only an accounting treatment. The Board has taken note of the potential impact of MFRS 2 on the Group's future earnings and will take into consideration such impact in the awarding and vesting of the LTIP Awards under the Proposed LTIP.

6.4 Substantial shareholders' shareholding

As at the LPD, SCIB does not have any substantial shareholders based on the Company's record of depositors.

6.5 Convertible securities

As at the LPD, save for the outstanding Warrants, the Company does not have any convertible securities. For avoidance of doubt, the Proposals would not result in any adjustments to the number and exercise price of Warrants.

7. HISTORICAL SHARE PRICE

The monthly highest and lowest prices of SCIB Shares as traded on Bursa Securities for the past 12 months up to January 2024 are as follows:

	<u>High</u> <u>RM</u>	<u>Low</u> <u>RM</u>
<u>2023</u>		
February	0.160	0.140
March	0.150	0.115
April	0.145	0.115
May	0.215	0.135
June	0.480	0.215
July	0.500	0.410
August	0.480	0.430
September	0.480	0.440
October	0.560	0.455
November	0.775	0.550
December	0.940	0.660
<u>2024</u>		
January	1.200	0.235
Last transacted price of SCIB Shares as at the LTD		0.735
Last transacted price of SCIB Shares as at the LPD		0.375

(Source: Bloomberg)

8. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (a) Bursa Securities, for the listing of and quotation for the Capitalisation Shares and up to 15.0% of the total number of issued shares of SCIB Shares to be issued pursuant to the exercise of the SOP Options and SGP Awards pursuant to the Proposed LTIP, on the Main Market of Bursa Securities; and
- (b) SCIB shareholders' approval at the forthcoming EGM to be convened for the following:
 - (i) the Proposals;

- (ii) waiver of their statutory pre-emptive rights under Section 85(1) of the Act to be offered new SCIB Shares to be issued pursuant to the Proposed Capitalisation and Proposed LTIP, which will result in a dilution of their shareholding percentage in the Company.

Section 85(1) of the Act states that:

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Article 8 of the Constitution of the Company states that:

"Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

Pursuant to Section 85(1) of the Act read together with Article 8 of the Constitution of the Company, the shareholders have a statutory pre-emptive right to be offered any new Shares which rank equally to the existing Shares.

By approving resolutions in relation to the following:

- (aa) the Proposed Capitalisation which entail the allotment and issuance of the Capitalisation Shares to the Creditor; and
- (bb) the Proposed LTIP which entail the allotment and issuance of new SCIB Shares arising from the exercise of the SOP Options and SGP Awards in the Company,

which will rank equally with the existing issued Shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Act to be first offered the new SCIB Shares to be issued pursuant to the Proposals which will result in a dilution to their shareholding percentage in the Company.

Save as disclosed above, the Proposals are not subject to any approvals from the relevant government authorities.

9. INTER-CONDITIONALITY

The Proposed Capitalisation and Proposed LTIP are not inter-conditional upon each other.

The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by SCIB.

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

Proposed Capitalisation

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Capitalisation.

Proposed LTIP

Save as disclosed below, none of the Directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed LTIP.

Executive Directors of SCIB are entitled to participate in the Proposed LTIP and are therefore deemed interested in the Proposed LTIP to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed LTIP. Whereas, non-executive Directors of SCIB are entitled to participate in the Proposed SOP and are therefore deemed interested in the Proposed SOP to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed SOP.

As at the LPD, the shareholdings of the Directors, major shareholders and/or persons connected with them are as follows:

Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Sri Zaini Bin Jass	-	-	-	-
Dato' Tan Bok Koon	2,629,000	0.41	-	-
Ku Chong Hong	1,356,000	0.21	-	-
Chiew Jong Wei	-	-	-	-
Sr. Mohd Nazri Bin Mat Noor	-	-	-	-
Dr. Dang Nguk Ling	-	-	-	-
Kang Wei Luen	-	-	-	-
Liaw Way Gian	5,719,100	0.89	-	-

Accordingly, the SGP Interested Directors and SOP Interested Directors have abstained and will continue to abstain from deliberating and voting, in respect of their direct and/or indirect shareholdings in SCIB, if any, on the resolutions pertaining to their respective allocations, if any, as well as the allocations to persons connected with them, if any, under the Proposed LTIP at the relevant board meetings and general meetings. Further, the SGP Interested Directors and SOP Interested Directors will also abstain and have undertaken to ensure that persons connected with him (if any) shall abstain from voting in respect of his direct and/or indirect shareholdings in the Company on the resolutions pertaining to any specific allocations, as well as the specific allocations to any persons connected with him (if any) under the Proposed LTIP at the EGM to be convened.

11. ADVISER

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

12. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Group and its shareholders.

Accordingly, the Board recommends that you vote in favour of the resolutions in relation to the Proposals to be tabled at the forthcoming EGM of the Company to be convened.

In respect of the allocations of the Proposed LTIP, all Directors have abstained from giving any opinion or recommendation on their respective entitlements and the entitlements to the person(s) connected with them, if any. Where the resolutions are not related to their respective allocations or allocations to the person(s) connected with them, the Directors after having considered all aspects of the allocations of the Proposed LTIP, are of the view that they are in the best interests of the Group and recommend that you vote in favour of the resolutions pertaining to the allocations of the Proposed LTIP to be tabled at the forthcoming EGM.

13. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timetable in relation to the Proposals are as follows:

Date	Events
27 March 2024	EGM to approve the Proposals
Early April 2024	<ul style="list-style-type: none">• Listing of and quotation for the Capitalisation Shares on the Main Market of Bursa Securities• Completion of the Proposed Capitalisation
End July 2024	Implementation of the Proposed LTIP

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposals is expected to be completed in the second quarter of 2024.

14. 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.

15. 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 Remote Participation and Voting ("RPV") facilities at <https://scib-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn. Bhd. in Malaysia on 27 March 2024 10.30

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 B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur or in the case of an appointment of a proxy made in electronic form, the Proxy Form can be electronically lodged via the Digerati Portal at <https://scib-egm.digerati.com.my> 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.

16. 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
SARAWAK CONSOLIDATED INDUSTRIES BERHAD

KU CHONG HONG
Group Managing Director/ Chief Executive Officer

APPENDIX I – SALIENT TERMS OF THE CAPITALISATION AGREEMENT

The salient terms for the Capitalisation Agreement are summarised as follows:

- Agreement** : The parties of the Capitalisation Agreement as set out under section 2.1 of this Circular agree for the capitalisation of the Capitalisation Amount as set out in the Capitalisation Agreement, via the issuance of such number of Capitalisation Shares as set out in section 2.1 of this Circular in accordance with the terms and subject to the conditions as stated in the Capitalisation Agreement.
- Conditions Precedent** : The Capitalisation Agreement shall be conditional upon the following being obtained and/or fulfilled within six (6) months from the date of the Capitalisation Agreement or such extended period as the parties may mutually agree in writing:-
- (a) the approval of the Board of Directors of the Company in respect of the Proposed Capitalisation and the execution of the Capitalisation Agreement upon the terms and conditions contained therein;
 - (b) the Company shall have procured the approval of its shareholders at an EGM for the Proposed Capitalisation, allotment and the issue, of the relevant Capitalisation Shares. In the event such approval(s) is obtained subject to any conditions and/or amendments, such conditions and/or amendment being reasonably acceptable to the Creditor, and to the extent that any such conditions are required to be fulfilled on or before the completion of the Proposed Capitalisation, they are fulfilled. In addition, such approval(s) shall not be amended, withdrawn, revoked, rescinded or cancelled on and before the date for the issuance of the relevant Capitalisation Shares;
 - (c) the Company shall have procured all necessary approvals and/or consents of the Bursa Securities or any other regulatory authorities for the allotment and issue of all the relevant Capitalisation Shares, the listing of and quotation for all the relevant Capitalisation Shares on the Main Market of the Bursa Securities and such other relevant approvals in relation thereto and in connection therewith for the transactions contemplated under the Capitalisation Agreement and such approvals shall not be amended, withdrawn, revoked, rescinded or cancelled and, where approvals are obtained subject to any conditions and/or amendments, such conditions and/or amendment being acceptable to the Creditor, and to the extent that any such conditions are required to be fulfilled on or before the date for the issuance of the relevant Capitalisation Shares, they are fulfilled;
 - (d) without affecting the rights and obligations of the Creditor under the Capitalisation Agreement, all other necessary approvals, consents and waivers (including any governmental, regulatory and/or corporate approvals and consents), for the transactions contemplated under the Capitalisation Agreement (in particular but without limitation the issue by the Company and the subscription by the respective Creditor of the relevant Capitalisation Shares,

APPENDIX I – SALIENT TERMS OF THE CAPITALISATION AGREEMENT

including any other regulatory and/or corporate approvals and consents having been obtained and remaining valid and subsisting as at the date for the issuance of the relevant Capitalisation Shares;

- (e) the completion of the proof of debt exercise to be carried out by the external auditor of the Company to ascertain and verify the transactions relating to the respective total debt owing by the relevant subsidiary to the Creditor ("**Debt**"), the relevant Debt amount, to the satisfaction of the Board of Directors of the Company; and

In the event that the conditions precedent set out above are not fulfilled or have not been waived within six (6) months from the date of the Capitalisation Agreement or such extended period as the parties may mutually agree in writing, then the Capitalisation Agreement shall automatically terminate and be deemed to be of no further legal effect whatsoever, and none of the parties to the Capitalisation Agreement shall have any claims against the other parties in respect of the Capitalisation Agreement. SCIB Properties shall then settle the Capitalisation Amount in a way and manner as may be mutually agreed in writing.

Subject to the terms and conditions of the Capitalisation Agreement, the Company and SCIB Properties unconditionally and irrevocably agree that the respective Capitalisation Amount shall be settled by way of issuance of the Capitalisation Shares to the Creditor within a period of one (1) month from the date on which all the conditions precedent have been fulfilled ("**Unconditional Date**") or such extended period as the parties may mutually agree in writing as settlement of the Debt owing to the Creditor by the Company and/or SCIB Properties.

- Manner of Repayment** : Subject to the terms and conditions of the Capitalisation Agreement, the Company and SCIB Properties unconditionally and irrevocably agree that the respective Capitalisation Amount shall be settled by way of issuance of the Capitalisation Shares to the Creditor within a period of one (1) month from the Unconditional Date or such extended period as the parties may mutually agree in writing as settlement of the Debt owing to the Creditor by the Company and/or SCIB Properties.
- Issue Price** : RM0.6110 per Capitalisation Share
- Ranking of Capitalisation Shares** : The Capitalisation Shares shall, upon allotment and issuance, rank pari passu in all respects with the Company's shares, save and except that the Capitalisation Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the Capitalisation Shares.
- Completion of the Proposed Capitalisation** : For the purpose of the Capitalisation Agreement, the completion of the Proposed Capitalisation shall be on the date of actual receipt by the Creditor or its nominees and the listing of the relevant Capitalisation Shares on the Main Market of Bursa Securities ("**Completion Date**"), whereupon SCIB Properties and the Creditor

APPENDIX I – SALIENT TERMS OF THE CAPITALISATION AGREEMENT

shall cease to be liable to each other for all further claim of damages, losses and/or liabilities in relation to the relevant Capitalisation Sum save and except for any antecedent breaches.

Early Repayment of Capitalisation Sum : Without prejudice to any clauses in the Capitalisation Agreement, SCIB Properties may settle the Capitalisation Amount (or any portion remaining outstanding) partially or in full at anytime provided a written notice had been served on the Creditor irrespective of the Capitalisation Agreement.

Nomination : (a) The parties to the Capitalisation Agreement agree that the Creditor shall be entitled to, within three (3) working days from the Unconditional Date or such other date as may be mutually agreed between the Parties in writing, provide a written notice to irrevocably and unconditionally nominate its nominees in accepting the relevant Capitalisation Shares from the Company.

(b) Where applicable, the Creditor authorises and instructs the Company to execute such necessary documents in favour of its nominee(s) or do any act to implement and complete the abovementioned nomination and issuance of the relevant Capitalisation Shares.

The Company shall be entitled to deem that the abovementioned nominees have been granted with power of attorney by the Creditor to undertake any dealing involving the relevant Capitalisation Shares and the Company shall not be required to monitor any dealing by the nominees of the relevant Capitalisation Shares.

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**SARAWAK CONSOLIDATED INDUSTRIES BERHAD
("SCIB" OR THE "COMPANY")**

BY LAWS OF THE LONG TERM INCENTIVE PLAN ("LTIP")

1. DEFINITIONS AND INTERPRETATIONS

1.1 Except where the context otherwise requires, the following expression in these By-Laws shall have the following meanings:

Act	:	Companies Act 2016, as amended from time to time including any re-enactment thereof
Adviser	:	A recognised principal adviser under the Main Market Listing Requirements of Bursa Securities who has been appointed by the Company to undertake a corporate proposal prescribed by Bursa Securities to require the services of an Adviser under the Main Market Listing Requirements of Bursa Securities
Board	:	The Board of Directors of the Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
By-Laws	:	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time)
CDS	:	Central Depository System
CDS Account	:	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Central Depositories Act	:	The Securities Industry (Central Depositories) Act 1991, as amended from time to time including all subsidiary legislations made thereunder and any re-enactment thereof
Constitution	:	The constitution of the Company, including any amendments thereto that may be made from time to time
Date of Expiry	:	Last day of the duration of the Scheme or last day of any extended period pursuant to By-Law 13.2 (as the case may be)
Director	:	A natural person who holds a directorship in the Company or any company within SCIB Group, whether in an executive or non-executive capacity, and

APPENDIX II – DRAFT BY-LAWS

	shall have the meaning of Section 2(1) of the Capital Markets and Services Act 2007
Effective Date	: The date on which the Scheme comes into force as provided in By-Law 13.1
Eligible Person(s)	: Executive Director or Employee of the Company or any company within SCIB Group who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 4 hereof and Non-Executive Director within SCIB Group who meets the criteria of eligibility for participation in SOP as set out in By-Law 4 hereof
Employee	: A natural person who is employed by and on the payroll of the Company or any company within SCIB Group
Entitlement Date	: The date as at the close of business on which shareholders' names must appear in the record of depositors of the Company maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions
Listing Requirements	: Main Market Listing Requirements of Bursa Securities including all amendments thereto and any Practice Notes or Guidance Notes issued in relation thereto
LTIP	: Long Term Incentive Plan as stipulated in these By-Laws
LTIP Award(s)	: Means the SGP Award(s) and/or the SOP Award(s), as the case may be
LTIP Award Date(s)	: Means the SGP Award Date(s) and/or the SOP Award Date(s), as the case may be
LTIP Award Vesting Date(s)	: Means the SGP Vesting Date(s) and/or the SOP Vesting Date(s), as the case may be
LTIP Committee	: The committee comprising such persons as may be appointed and duly authorised by the Board pursuant to By-Law 14 to implement and administer the Scheme
LTIP Participant(s)	: Means the SGP Participant(s) and/or the SOP Participant(s), as the case may be
LTIP Scheme or Scheme	: The long term incentive plan for the award of SGP Award(s) and/or SOP Award(s) to any Eligible Person in accordance with the provisions of these By-Laws and such scheme shall be known as the " SCIB's Long Term Incentive Plan "
Market day	: A day on which Bursa-Securities is open for trading in securities
Maximum Allowable Allotment	: The maximum number of Shares in respect of the LTIP Awards that can be made available to an Eligible Person as set out in By-Law 5 hereof
SCIB or the Company	: Sarawak Consolidated Industries Berhad (Registration No. 197501003884 (25583-W))

APPENDIX II – DRAFT BY-LAWS

- SCIB Group or the Group : The Company and its subsidiary companies as defined in Section 4 of the Act, and in the context of the LTIP, shall exclude subsidiary companies which are dormant. Subject to the foregoing, subsidiary companies include subsidiary companies which are existing as at the Effective Date and subsidiary companies which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 11
- SCIB Share(s) or Share(s) : Ordinary share(s) in SCIB
- Option Price : The price at which SOP Participant(s) shall be entitled to subscribe for the Share(s) upon the exercise of the SOP Option(s), as initially determined and as may be adjusted, pursuant to the provisions of By-Law 38
- RM and sen : Ringgit Malaysia and sen respectively
- Rules of Bursa Depository : The rules of Bursa Depository, as issued pursuant to the Central Depositories Act
- SGP : Share Grant Plan as stipulated in Section 1 of these By-Laws
- SGP Award(s) : The award of such number of Shares to an Eligible Person(s) in the manner and subject to the terms and conditions provided in these By-Laws
- SGP Award Date(s) : The date of which an SGP Award(s) is awarded to an Eligible Person pursuant to a LTIP Award letter
- SGP Participant(s) : Eligible Person(s) who has accepted SGP Award(s) in the manner provided in By-Law 30
- SGP Vesting Date(s) : The date upon which all or any parts of the Shares awarded to SGP Participant(s) are eligible to be vested upon fulfilment of all terms and vesting conditions, if any, as determined by the LTIP Committee
- SOP : Share Option Plan as stipulated in Section 2 of these By-Laws
- SOP Award(s) : The award of such number of SOP Option(s) to an Eligible Person to subscribe for the Shares at the Option Price in the manner and subject to the terms and conditions provided in these By-Laws
- SOP Award Date(s) : The date of which an SOP Award(s) is awarded to an Eligible Person pursuant to a LTIP Award letter
- SOP Option(s) : The right of SOP Participant(s) to subscribe for the Share(s) at the Option Price in the manner provided in By-Law 36
- SOP Participant(s) : Eligible Person(s) who has accepted the SOP Award(s) in the manner provided in By-Law 35

SOP Vesting : The date upon which all or any part of the SOP Options awarded to SOP
Date(s) Participant(s) are eligible to be vested and are entitled to exercise the SOP
Options upon fulfilment of all terms and vesting conditions, if any, as
determined by the LTIP Committee

1.2 In these By-Laws:

- (i) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and Listing Requirements and any policies and/or guidelines of the relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or the relevant authorities);
- (ii) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any LTIP Award(s) awarded and accepted during the duration of the Scheme and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (iii) words denoting the singular shall include the plural and vice versa and references to gender shall include both genders and the neuter;
- (iv) any liberty or power which may be exercised or any determination which may be made hereunder by the LTIP Committee may be exercised in the LTIP Committee's absolute discretion and the LTIP Committee shall not be under any obligation to give any reasons thereof, except as may be required by the relevant authorities;
- (v) the headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws;
- (vi) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day;
- (vii) any reference to the Company and/or other person shall include a reference to its successors-in-title and permitted assigns; and
- (viii) "**persons connected**" shall have the meaning as defined in Paragraph 1.01 of the Listing Requirements.

2. NAME OF SCHEME

2.1 This Scheme shall be called the "**SCIB's Long Term Incentive Plan**".

3. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

- 3.1 The maximum number of the Shares which may be made available under the Scheme shall not in aggregate exceed fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the Scheme as provided in By-Law 13.2.
- 3.2 Notwithstanding the provision of By-Law 3.1 above and any other provisions contained herein, in the event the total number of the Shares that may be made available under the Scheme exceeds fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any as a result of the Company purchasing, cancelling and/or reducing the Shares in accordance with the provisions of the Act or the Company undertaking any corporate proposal and thereby diminishing the total number of issued shares of the Company, then such LTIP Award(s) awarded prior to the adjustment of the issued shares of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with the provisions of this Scheme. However, in such a situation, the LTIP Committee shall not make further LTIP Award(s) until the total number of the Shares under the subsisting LTIP Award(s) falls below fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any).

4. ELIGIBILITY

- 4.1 Subject to the sole discretion of the LTIP Committee, only Eligible Persons who fulfil the following conditions as at the LTIP Award Date shall be eligible to participate in the Scheme:
- (i) in respect of an Employee, the Employee must fulfil the following criteria as at the LTIP Award Date:
 - (a) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) is employed by SCIB Group on a full-time basis or serving in a specific designation under an employment contract with SCIB Group for a fixed duration (or any other contract as may be determined by the LTIP Committee) and is on the payroll of any company within SCIB Group and has not served a notice of resignation or received notice of termination;
 - (c) must have been in employment of the SCIB Group for a period of at least six (6) months prior to the LTIP Award Date;
 - (d) is confirmed in writing as a full-time Employee of SCIB Group prior to and up to the LTIP Award Date; and
 - (e) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.
 - (ii) in respect of an executive Director, the executive Director must fulfil the following criteria as at the LTIP Award Date:
 - (a) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

APPENDIX II – DRAFT BY-LAWS

- (b) is appointed as an executive Director of the Company or any company within SCIB Group for such periods as may be determined by the LTIP Committee prior to and up to the LTIP Award Date; and
 - (c) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.
- (iii) in respect of a non-executive Director, the non-executive Director must fulfil the following criteria as at the SOP Award Date:
 - (a) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) is appointed as a non-executive Director of the Company or any company within SCIB Group for such periods as may be determined by the LTIP Committee prior to and up to the SOP Award Date; and
 - (c) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time,
- 4.2 Notwithstanding the above, the LTIP Committee may, at its absolute discretion, waive any of the eligibility conditions as set out in By-Law 4.1 above. The eligibility and number of LTIP Award(s) to be awarded to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.
- 4.3 Subject to By-Law 4.1, the LTIP Committee may from time to time at its own discretion decide on the performance targets to be achieved by the LTIP Participants before the LTIP Awards can be vested.
- 4.4 Notwithstanding By-Law 4.1, the LTIP Award(s) to be awarded to any Eligible Person, who is a Director, major shareholder or chief executive of the Company or persons connected with such Director, major shareholder or chief executive (as defined in the Listing Requirements), shall also be approved by the shareholders of the Company in general meeting to be convened unless such approval is no longer required under the Constitution, the Listing Requirements and any other prevailing guidelines issued by the authorities.
- 4.5 Any Eligible Person who holds more than one (1) position within SCIB Group and by holding such positions, the Eligible Person is in more than one category, shall only be entitled to the Maximum Allowable Allotment of any one of those category/designation of employment. The LTIP Committee shall be entitled at its sole discretion to determine the applicable category/designation of employment.
- 4.6 An Employee or Director of a dormant company within SCIB Group is not eligible to participate in the Scheme.
- 4.7 An Employee or Director may, at the sole discretion of the LTIP Committee, be eligible to participate in the Scheme, subject to the Maximum Allowable Allotment.
- 4.8 Eligibility under the Scheme does not confer on an Eligible Person any claim or right to participate in or any right whatsoever under the Scheme and an Eligible Person does not acquire or has any right over or in connection with the LTIP Award(s) unless the LTIP Award(s) has been made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the LTIP Award(s) in accordance with these By-Laws.

5. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION

- 5.1 The allocation of the Shares to be made available for the LTIP Award(s) under the Scheme shall be determined by the LTIP Committee.
- 5.2 Subject to By-Law 3 and any adjustment which may be made under By-Law 9, the maximum number of Shares to be awarded to an Eligible Person under the Scheme at any point of time in each LTIP Award shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the Eligible Person's designation, length of service, work performance and/or such other factors as the LTIP Committee deems fit, and subject to the following conditions:
- (i) the total number of Shares made available under the Scheme shall not exceed the amount in By-Law 3.1 above;
 - (ii) not more than ten percent (10%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds twenty percent (20%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);
 - (iii) up to fifty percent (50%) of the total number of Shares which may be made available under the Scheme could be allocated, in aggregate, to the Directors and senior management of SCIB Group who are Eligible Persons (where "**senior management**" shall be subject to any criteria as may be determined at the sole discretion of the LTIP Committee from time to time); and
 - (iv) the Directors and senior management of SCIB Group shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any;

PROVIDED ALWAYS THAT it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

- 5.3 The LTIP Committee shall determine the maximum number of Shares for the LTIP Award(s) that will be made available to an Eligible Person under the Scheme, in the manner provided in these By-Laws in relation to each class or grade of Directors and Employees and the aggregate maximum number of LTIP Award(s) that can be awarded to the Directors and Employees under the Scheme from time to time, and the decision of the LTIP Committee shall be final and binding.
- 5.4 In the event that an Eligible Person is promoted, the Maximum Allowable Allotment applicable to such Eligible Person shall be the Maximum Allowable Allotment that may be awarded corresponding to the category of employee of which he/she then is a party, subject always to the maximum number of Shares available under the Scheme as stipulated under By-Law 3.1.
- 5.5 In the event that an Eligible Person who is demoted/re-designated to a lower grade for whatsoever reason shall only be entitled to the allocation of that lower grade unless an award has been made and accepted by him before such demotion/re-designated and where he has accepted an award which exceeds his Maximum Allowable Allotment under that lower grade, he shall not be entitled to any further allocation for that lower grade.

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- 5.6 The Company shall ensure that the LTIP Award(s) awarded pursuant to the Scheme is verified by the Audit Committee of SCIB Group at the end of each financial year as being in compliance with the award criteria of the LTIP Award(s) which have been disclosed to the Eligible Person.
- 5.7 The LTIP Committee may at its sole and absolute discretion determine whether the LTIP Award(s) to the Eligible Person(s) will be made on a staggered basis over the duration of the Scheme or in a single award and/or whether the LTIP Award(s) are subject to any vesting period and if so, to determine the vesting conditions.
- 5.8 If any Eligible Person is a member of the LTIP Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her LTIP Award(s).
- 5.9 The selection of any Eligible Person to participate in the Scheme will be at the sole discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.
- 5.10 At the time the LTIP Award(s) is awarded in accordance with these By-Laws, the LTIP Committee shall set out the basis of award, identifying the category or grade of the Eligible Person and the Maximum Allowable Allotment that may be awarded to such Eligible Person under the LTIP Award(s).
- 5.11 Subject to By-Law 5.2, nothing herein shall prevent the LTIP Committee from awarding more than one (1) LTIP Award(s) to an Eligible Person **PROVIDED THAT** the total aggregate number of Shares comprised in the LTIP Award(s) awarded to such Eligible Person during the duration of the Scheme shall not exceed the Maximum Allowable Allotment that an Eligible Person is entitled under the LTIP Award(s).

6. RIGHTS OF LTIP PARTICIPANT(S)

- 6.1 The LTIP Award(s) shall not carry any right to vote at any general meeting of the Company.
- 6.2 The Shares which are credited into the LTIP Participants' CDS Account upon vesting of the SGP Awards and/or exercising of the SOP Options, would carry rights to vote at the general meeting of the Company, if the LTIP Participant(s) is registered in the Record of Depositors on the Entitlement Date to be entitled to attend and vote at the general meeting.
- 6.3 A LTIP Participant(s) shall not be entitled to any dividends, rights and/or other distributions on his/her unvested SGP Awards and/or unexercised SOP Options.

7. RIGHTS ATTACHING TO THE SHARES

- 7.1 The Shares arising upon vesting of SGP Awards and/or exercising of the SOP Options shall, upon allotment and issuance, rank equally in all respects with the existing Shares and shall:
- (i) be subject to the provisions of the Constitution; and
 - (ii) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date on which the Shares are credited into the CDS Account of the LTIP Participant(s) and shall in all other respects rank equally with other existing Shares then in issue.
- 7.2 Notwithstanding any provision in these By-Laws, the LTIP Participant(s) shall not be entitled to any rights, dividends or other distributions attached to the Shares prior to the date on which such Shares are credited into their respective CDS Accounts.

8. RETENTION PERIOD

- 8.1 The Shares arising upon vesting of SGP Awards and/or exercising of the SOP Options will not be subjected to any retention period or restriction on transfer unless otherwise as stated in the LTIP Award(s) as determined by the LTIP Committee from time to time. However, LTIP Participant(s) are encouraged to hold the Shares as a long-term investment and not for any speculative and/or realisation of any immediate gain. The expression “**retention period**” shall mean the period in which the Shares awarded and issued pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the LTIP Participant(s).
- 8.2 Notwithstanding to the above By-Law 8.1, the LTIP Committee shall be entitled at its discretion to prescribe or impose, in relation to any LTIP Award(s), any condition relating to any retention period or restriction on transfer (if applicable) as the LTIP Committee sees fit.
- 8.3 An eligible Director who is a non-executive Director in the Group shall not sell, transfer or assign the Shares obtained through the exercise of the SOP Options granted to him within one (1) year from the SOP Award Date.

9. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT

- 9.1 Subject to By-Law 9.5 hereof, in the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of capitalisation of profits or reserves, rights issue, bonus issue, consolidation or subdivision of the Shares or reduction in share capital (save for set-off against accumulated losses) or any other variation of capital shall take place during the duration of the Scheme, the Company shall cause such adjustment to be made:
- (i) in relation to SGP:
 - (a) the number of Shares comprised in the SGP Award(s) to the extent not yet vested; and/or
 - (b) the method and/or manner in the vesting of the Shares comprised in the SGP Award(s).
 - (ii) in relation to SOP:
 - (a) the Option Price and/or number of SOP Options comprised in the SOP Award(s) to the extent not yet vested or exercised; and/or
 - (b) the method and/or manner in the vesting of the SOP Options comprised in the SOP Awards.
- 9.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 9.1:
- (i) any adjustment to the Option Price shall be rounded down to the nearest one (1) sen; and
 - (ii) in determining a LTIP Participant’s entitlement to have the Shares vested and/or to exercise the SOP Options, any fractional entitlements will be disregarded.

9.3 Subject to By-Law 9.2, the Option Price for the SOP Award(s) and/or the number of new Shares unvested/SOP Options relating to the LTIP Award(s) awarded to each LTIP Participant(s) shall from time to time be adjusted, calculated and determined by the LTIP Committee in accordance with the following relevant provisions in consultation with the Adviser and/or the external auditor of the Company:

(i) Consolidation and subdivision

Whenever a Share by reason of any consolidation or subdivision, the total number of issued shares shall be different. Then, the Option Price for the SOP Award(s) and/or the number of additional SCIB Shares/SOP Options relating to the LTIP Award(s) to be issued shall be adjusted, calculated or determined in the following formula:

(a) New Option Price

$$\text{New Option Price} = \text{EP} \times \frac{\text{Former total number of issued shares before the consolidation or subdivision}}{\text{Revised total number of issued shares after the consolidation or subdivision}}$$

(b) Number of additional Shares/SOP Options

$$\text{Number of additional Shares/SOP Options} = \text{T} \times \frac{\text{Former total number of issued shares after the consolidation or subdivision}}{\text{Former total number of issued shares before the consolidation or subdivision}} - \text{T}$$

Where:

EP = Existing Option Price; and

T = Existing number of Shares/SOP Options relating to the LTIP Award(s) awarded.

Such adjustment will be effective from the close of business on the Market Day immediately following the Entitlement Date on which the consolidation or subdivision becomes effective (being the date when the Shares are traded on Bursa Securities), or such other period as may be prescribed by Bursa Securities.

(ii) Capitalisation of profits/reserves

If and whenever the Company shall make any issue of new Shares to ordinary shareholders credited as fully paid-up, by way of bonus issue or capitalisation issue from profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund), the Option Price for the SOP Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

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and the number of additional Shares/SOP Options relating to the LTIP Award(s) to be issued shall be calculated as follows:

Number of additional Shares/SOP Options =

$$T \times \left[\frac{A + B}{A} - T \right]$$

Where:

A = the aggregate number of issued and fully paid-up Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid-up by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund); and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

(iii) If and whenever the Company shall make:

(a) **Capital Distribution**

a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(b) **Rights issue of the Shares**

any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for new Shares by way of rights; or

(c) **Rights issue of convertible securities**

any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Option Price for the SOP Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Law 9.3(iii)(b) hereof, the number of additional Shares/SOP Options comprised in the LTIP Award(s) to be issued shall be calculated as follows:

Number of additional Shares/SOP Options =

$$T \times \left[\frac{C}{C - D^*} - T \right]$$

Where:

T = as T above;

C = the current market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 9.3(iii)(b) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 9.3(iii)(c) above, the value of rights attributable to one (1) existing Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 9.3(iii) hereof, the fair market value as determined by the Adviser and/or the external auditor of the Company of that portion of the Capital Distribution attributable to one (1) existing Share.

D*= the value of rights attributable to one (1) existing Shares (as defined below).

For the purpose of definition "(aa)" of D above, the "**value of rights attributable to one (1) existing Share**" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = as C above;

E = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for the Share or subscription price of one (1) additional security convertible into Shares or one (1) additional security with rights to acquire or subscribe for the Shares; and

F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or subscribe for security convertible into one (1) additional Shares or rights to acquire or subscribe for one (1) additional Shares.

For the purpose of definition “D*” above, the “**value of rights attributable to one (1) existing Shares**” shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = as C above;

E*= the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

F*= the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of By-Law 9.3(iii) hereof, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new Shares (not falling under By-Law 9.3(ii) hereof) or other securities issued by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any capital redemption reserve fund).

Any distribution out of profits or reserves (including any capital redemption reserve fund) made (whenever paid and howsoever described) shall be deemed to be a Capital Distribution unless the distribution is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statements of profit or loss and other comprehensive income of the Company.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

(iv) Capitalisation of profits/reserves and rights issue of Shares/convertible securities

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 9.3(ii) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 9.3(iii)(b) or (c) above and Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price for the SOP Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G+H+B) \times C}$$

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 9.3(ii) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 9.3(iii)(b) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Shares comprised in the LTIP Award(s) to be issued shall be calculated as follow:

Number of additional Shares/SOP Options =

$$T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} - T \right]$$

Where:

B = as B above;

C = as C above;

G = the aggregate number of issued and fully paid-up Shares on the Entitlement Date;

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for the Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into the Shares or rights to acquire or subscribe for the Shares, as the case may be;

H* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for the Shares by way of rights;

I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for the Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for the Shares; and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

(v) Rights issue of the Shares and rights issue of convertible securities

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new Shares as provided in By-Law 9.3(iii)(b) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares as provided in By-Law 9.3(iii)(c) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price for the SOP Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the number of additional Shares/SOP Options comprised in the LTIP Award(s) shall be calculated as follows:

Number of additional Shares/SOP Options =

$$T \times \left[\frac{(G+H^*) \times C}{(G \times C) + (H^* \times I^*)} - T \right]$$

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Where:

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = the aggregate number of the Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for the Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

(vi) Capitalisation of profits/reserve, rights issue of the Shares and rights issue of convertible securities

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 9.3(ii) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for the Shares as provided in By-Law 9.3(iii)(b) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for the Share as provided in By-Law 9.3(iii)(c) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price for the SOP Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the number of additional Shares/SOP Options comprised in the LTIP Award(s) shall be calculated as follows:

Number of additional Shares/SOP Options =

$$T \times \left[\frac{(G + H^* + B) \times C}{G \times C + (H^* \times I^*)} - T \right]$$

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Where:

B = as B above;

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = as J above;

K = as K above; and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

(vii) Others

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under By-Laws 9.3(iii)(b), (iii)(c), (iv), (v) or (vi) above), the Company shall issue either new Shares or any securities convertible into new Shares or any rights to acquire or subscribe for the Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price (as defined below) for one (1) Share or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Option Price for the SOP Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

Where:

L = the number of the Shares in issue at the close of business on Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

M = the number of the Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and

N = the aggregate number of the Shares so issued or, in the case of securities convertible into the Shares or securities with rights to acquire or subscribe for the Shares, the

maximum number (assuming no adjustment of such rights) of the Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 9.3(vii), the “**Total Effective Consideration**” shall be determined by the LTIP Committee with the concurrence of the external auditor shall be:

- (i) in the case of the issue of new Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for new Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration per Share**” shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares, by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 9.3(vii), “**Average Price**” of a Share shall be the average market price of one (1) Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the Market Day immediately following the date on which the Company determines the subscription price of such Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the completion of the above transaction.

For the purpose of By-Laws 9.3(iii), (iv), (v) and (vi), the current market price in relation to one (1) existing Shares for any relevant day shall be based on the volume weighted average market price of the Shares for the five (5) Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

Such adjustment must be confirmed in writing by the external auditors or Adviser of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the LTIP Committee, to be in their opinion, fair and reasonable, PROVIDED ALWAYS THAT:

- (a) any adjustment to the Option Price shall be rounded up to the nearest one (1) sen;

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- (b) in the event that a fraction of a new Share arising from the adjustment referred to in these By-Laws would otherwise be required to be issued upon vesting of the SGP Awards and/or exercising of an SOP Option by the LTIP Participant(s), the LTIP Participant(s)' entitlement shall be round down to the nearest whole number;
- (c) upon any adjustment being made pursuant to these By-Laws, the LTIP Committee shall, within thirty (30) days of the effective date of the alteration in the capital structure of the Company, notify the LTIP Participant(s) (or his legal representatives where applicable) in writing informing him of the adjusted Option Price for the SOP Award(s) thereafter in effect and/or the number of the Shares/SOP Options comprised in the LTIP Award(s); and
- (d) any adjustments made must be in compliance with the provisions for adjustments provided in these By-Laws.

For avoidance of doubt, any adjustments to the Option Price for the SOP Award(s) and/or the number of the Shares/SOP Options comprised in the LTIP Award(s) so far as unvested and/or unexercised arising from bonus issue, subdivision or consolidation of the Shares need not be confirmed in writing by the external auditors or the Adviser of the Company.

- 9.4 Save as expressly provided for herein, the external auditors or the Adviser must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors or the Adviser shall be final, binding and conclusive.
- 9.5 The provisions of By-Law 9 shall not apply where the alteration in the capital structure of the Company arises from any of the following:
- (i) an issue of Shares pursuant to the vesting of LTIP Award(s) under the Scheme;
 - (ii) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business;
 - (iii) private placement or restricted issue or special issue of new Shares by the Company;
 - (iv) a special issue of securities to Bumiputera parties or investors nominated by the Ministry of Investment, Trade and Industry and/or other government authority to comply with the government's policy on Bumiputera capital participation;
 - (v) a purchase by the Company of its own Shares and cancellation of all or a portion of such Shares purchased pursuant to Section 127 of the Act; or
 - (vi) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other rights including warrants and convertible loan stocks or other instruments (if any) issued by the Company.
- 9.6 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III (Division 7, Subdivision 2) of the Act, By-Law 9.1 shall be applicable in respect of such part(s) of the scheme which involves any alteration(s) in the capital structure of the Company to which By-Law 9.1 is applicable, but By-Law 9.1 shall not be applicable in respect of such part(s) of the scheme which involves any alteration(s) in the capital structure of the Company to which By-Law 9.1 is not applicable as described in By-Law 9.5.

An adjustment pursuant to By-Law 9.1 shall be made according to the following terms:

- (a) in the case of a right issue, bonus issue or other capitalisation issue, on the next Market Day following the Entitlement Date in respect of such issue; or
- (b) in the case of a consolidation or subdivision of the Shares or reduction of capital, on the Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective, or such period as may be prescribed by Bursa Securities.

Upon any adjustment being made, the LTIP Committee shall give notice in writing within thirty (30) days from the date of adjustment to the LTIP Participant(s), or his/her legal representative, where applicable, to inform him/her of the adjustment and the event giving rise thereto.

Notwithstanding the provisions referred to in these By-Laws, the LTIP Committee may exercise its sole discretion to determine whether any adjustments to the Option Price for SOP Award(s) and/or the number of the Shares/SOP Options comprised in the LTIP Award(s) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Option Price for the SOP Award(s) and/or the number of the Shares/SOP Options comprised in the LTIP Award(s) notwithstanding that no such adjustment formula has been explicitly set out in these By-Laws.

10. TAKE-OVERS AND MERGERS, SCHEMES OF ARRANGEMENT, AMALGAMATIONS, RECONSTRUCTIONS AND DISPOSAL OF ASSETS

10.1 In the event of:

- (i) a take-over offer being made for, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-Overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over ("**Offeror**") or any persons acting in concert with the Offeror);
- (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of the Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the LTIP Participant(s) that it intends to exercise such rights on a specific date ("**Specified Date**"); or
- (iii) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

the LTIP Committee may at its discretion to the extent permitted by law permit the vesting of the LTIP Awards and the LTIP Participant(s) will be entitled to within such period to be determined by the LTIP Committee, to subscribe and/or exercise all or any of his/her LTIP Awards and the Directors of the Company shall use their best endeavours to procure that such a general offer be extended to the new Shares that may be issued pursuant to the LTIP Award(s) under these By-Law.

In the foregoing circumstances, all LTIP Award(s) which the LTIP Committee permits to be vested and/or exercisable, shall automatically lapse and become null and void to the extent remain unvested and/or unexercised by the date prescribed by the LTIP Committee notwithstanding that the LTIP Award Vesting Date has not commenced or has not expired.

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10.2 Notwithstanding to the provisions of these By-Laws and subject to the sole discretion of the LTIP Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 or any other provisions of the Act or the Company decided to merge with other company or companies, the LTIP Committee may at its absolute discretion decide whether a LTIP Participant(s) may be entitled to be vested and/or to exercise all or any of his/her unvested and/or unexercised LTIP Awards at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective PROVIDED ALWAYS THAT no LTIP Awards shall be vested and LTIP Awards shall be subscribed and/or exercised after the expiry of the LTIP Award Vesting Date. Upon the compromise or arrangement becoming effective, all unvested and/or unexercised LTIP Awards shall automatically lapse and become null and void and of no further force and effect.

11. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP

11.1 If a LTIP Participant(s) is in the employment of a company within the Group and such company is subsequently divested, wholly or in part, from SCIB Group, the LTIP Participant(s):

- (i) shall cease to be capable of being vested with any unvested LTIP Awards awarded to him/her under the Scheme from the date of completion of such divestment or the Date of Expiry, whichever expires first;
- (ii) will not be entitled to exercise any unexercised vested SOP Options from the date of completion of such divestment, unless the LTIP Committee at its discretion permit such exercise of the unexercised vested SOP Option or the vesting of the unvested LTIP Awards including its allocation thereof. For avoidance of doubt, save and except to the extent permitted by the LTIP Committee, all existing LTIP Awards shall automatically lapse and become null and void and of no further force and effect; and
- (iii) shall not be eligible to participate for further LTIP Award(s) under the Scheme as from the date of completion of such divestment.

11.2 For the purposes of By-Law 11.1 above, a company shall be deemed to be divested from SCIB Group or disposed of from SCIB Group in the event that the effective interest of the Company in such company is reduced from above fifty percent (50%) to fifty percent (50%) or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act (other than pursuant to a takeover, scheme of arrangement, amalgamation, reconstruction, merger or otherwise as provided under the By-Law 10).

11.3 In the event that:

- (i) an employee who was employed in a company which is not related to the Company pursuant to Section 7 of the Act (that is to say, a company which does not fall within the definition of SCIB Group”) and is subsequently transferred from such company to any company within SCIB Group; or
- (ii) an employee who was in the employment of a company which subsequently becomes a company within SCIB Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within SCIB Group with any of the first mentioned company stated in (i) above;

(the first abovementioned company in (i) and (ii) herein referred to as the “**Previous Company**”), such an employee of the Previous Company will be eligible to participate in this Scheme for the remaining duration of the Scheme, if the affected employee becomes an “**Eligible Person**” within the meaning under these By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into SCIB Group pursuant to part (ii) above as a subsidiary as defined in Section 4 of the Act or any other statutory regulation in place thereof during the duration of the Scheme, the Scheme shall apply to the employees of such company on the date of such company becomes a subsidiary of SCIB Group (PROVIDED THAT such subsidiary is not dormant) falling within the meaning of the expression of “Eligible Person” under By-Law 1 and the provisions of these By-Laws shall apply.

12. WINDING UP

- 12.1 All outstanding LTIP Awards under the Scheme shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise the SOP Options and/or vest in the LTIP Awards pursuant to the Scheme shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise the SOP Options and/or vest the LTIP Awards pursuant to the Scheme shall accordingly be unsuspending.

13. DURATION AND TERMINATION OF THE SCHEME

- 13.1 The Effective Date for the implementation of the Scheme shall be at the date of full compliance with all relevant requirements in the Listing Requirements, including but not limited to the following:
- (i) submission of the final copy of the By-Laws to Bursa Securities together with a letter of a compliance pursuant to Paragraph 2.12 of the Listing Requirements and checklist showing compliance with Appendix 6E of the Listing Requirements;
 - (ii) receipt of the approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new Shares to be issued under the Scheme;
 - (iii) procurement of the shareholders’ approval for the Scheme in a general meeting;
 - (iv) receipt of the approval of any other relevant authorities whose approvals are necessary in respect of the Scheme; and
 - (v) fulfilment or waiver (as the case may be) of all conditions attached to any of the abovementioned approvals, if any.

The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of Bursa Securities stating the Effective Date of implementation of the Scheme. The confirmation letter shall be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

- 13.2 The Scheme, when implemented, shall be in force for a period of five (5) years from the Effective Date. The Company may, if the Board deems fit and upon the recommendation of the LTIP Committee, extend the Scheme for a period of up to a maximum of five (5) years, commencing from the day after

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the date of expiration of the original five (5) years period, and shall not in aggregate exceed ten (10) years from the Effective Date or such longer period as may be permitted by Bursa Securities or any other relevant authorities. Such extended Scheme shall be implemented in accordance with the terms of these By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals from the shareholders of the Company shall be required for the extension of the Scheme and the Company shall serve appropriate notices on each LTIP Participant(s) and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within thirty (30) days prior to the Date of Expiry or such other period as may be stipulated by Bursa Securities.

- 13.3 LTIP Award(s) can only be made from the Effective Date and up to the Date of Expiry.
- 13.4 Notwithstanding anything to the contrary, all unvested LTIP Awards and/or unexercised vested SOP Options shall lapse and become null and void on the Date of Expiry.
- 13.5 The Scheme may be terminated by the LTIP Committee at any time before the Date of Expiry PROVIDED THAT an announcement is released to Bursa Securities on the following:
- (i) the effective date of termination ("**Termination Date**");
 - (ii) the number of the Shares vested pursuant to the SGP and/or number of SOP Option(s) exercised pursuant to the SOP; and
 - (iii) the reasons and justification for termination.
- 13.6 In the event of termination as stipulated in By-Law 13.5 above, the following provisions shall apply:
- (i) no further LTIP Award(s) shall be awarded by the LTIP Committee from the Termination Date;
 - (ii) all LTIP Award(s) which have yet to be accepted by the Eligible Persons shall automatically lapse and become null and void on the Termination Date; and
 - (iii) any LTIP Award(s) which have yet to be vested or exercised (as the case may be and whether fully or partially) awarded under the Scheme shall be deemed cancelled and be null and void.
- 13.7 Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of LTIP Participant(s) who have yet to be vested their LTIP Awards and/or exercise their vested SOP Options are not required to effect a termination of the Scheme.

14. ADMINISTRATION AND IMPLEMENTATION OF THE SCHEME

- 14.1 The Scheme shall be administered by the LTIP Committee. The LTIP Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall deem fit and with such powers and duties as are conferred upon it by the Board. The decision of the LTIP Committee shall be final and binding.
- 14.2 Without limiting the generality of By-Law 14.1, the LTIP Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any error(s) in the LTIP Award(s), execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its sole discretion consider to be necessary or desirable for giving effect to the Scheme including the powers to:

- (i) subject to the provisions of the Scheme, construe and interpret the Scheme and LTIP Award(s) awarded under it, to define the terms therein and to recommend to thereto establish, amend and revoke rules and regulations relating to the Scheme and its administration. The LTIP Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for the LTIP Award(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
- (ii) determine all question of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company.

14.3 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the LTIP Committee as it shall deem fit.

14.4 In implementing the Scheme, the LTIP Committee may at its absolute discretion decide that the LTIP Awards be satisfied by the following methods:

- (i) issuance of new Shares;
- (ii) acquisition of existing Shares from the open market of Bursa Securities;
- (iii) transfer of the Company's treasury shares (if any) or any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
- (iv) a combination of any of the above.

In considering the method of satisfaction as referred to in (i) to (iv) above, the LTIP Committee shall take into consideration, amongst others, factors such as the prevailing market price of the Shares, the potential cost arising from awarding the LTIP Awards and dilutive effects on the Company's capital base as well as applicable laws and/or regulatory requirements. The method of satisfaction to be made by the Company shall be at the discretion of the LTIP Committee.

14.5 For the purpose of facilitating the implementation of the Scheme, the Company and/or the LTIP Committee may, but shall not be obligated to, establish a trust to be administered by a trustee(s) to be appointed by the Company ("**Trustee**") ("**Trust**") in accordance with the trust deed to be entered into between the Company and the Trustee ("**Trust Deed**"). Accordingly, the Company shall have the power to appoint or rescind the appointment of any Trustee as it deems fit for the purpose of administering the Scheme, in accordance with the provision of the Trust Deed. The Company shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

14.6 For the purpose of administering the Trust, if and when the Trust is established, the Trustee shall do all such acts and things and enter into any transaction, agreement, deed, document or arrangement or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the LTIP Committee may in its absolute discretion direct for the implementation and administration of the Trust which are expedient for the purpose of giving effect to and carrying out the powers and duties conferred on the Trustee by the Trust Deed.

14.7 The Trustee shall, at such times as the LTIP Committee shall direct, subscribe for and/or acquire the necessary number of existing Shares from the open market of Bursa Securities to accommodate any

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transfer of the Shares to the CDS account of the LTIP Participant(s). For this purpose, the Trustee will be entitled, from time to time, to the extent permitted by law and as set out under these By-Laws to accept funding and/or assistance, financial or otherwise from SCIB and/or any company within SCIB Group. The LTIP Committee shall have the discretion to instruct the Trustee to subscribe for new Shares and/or acquire existing Shares from time to time and also to revoke or suspend any such instruction that has earlier been given to the Trustee.

- 14.8 Should the Trust be terminated pursuant to the Trust Deed, the Trustee shall sell the remaining Shares held by the Trustee and/or its authorised nominee(s) and deal with such funds in accordance with the instructions of the LTIP Committee.
- 14.9 The appointment or involvement of a Trustee shall not be required in the event that the Shares to be awarded under the LTIP are to be satisfied solely via issuance of new Shares and/or transfer of treasury shares held by the Company, if any, pursuant to Section 127(7) of the Act.

15. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME

- 15.1 Subject to By-Law 15.2 and compliance with the Listing Requirements, the LTIP Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its sole discretion deem fit and the Board shall have the power, at any time, by resolution to, add, amend, modify and/or delete all or any of the terms in these By-Laws upon such recommendation and the Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that such amendment and/or modification is in compliance with the provisions of the Listing Requirements pertaining to the Scheme and the Rules of Bursa Depository.
- 15.2 Subject to By-Law 15.3, the approval of the shareholders of the Company in general meeting shall not be required in respect of any additions, modifications or amendments to or deletions of these By-Laws PROVIDED THAT no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:
- (i) prejudice any rights which would have accrued to any LTIP Participant(s) without the prior consent or sanction of that LTIP Participant(s);
 - (ii) increase the number of the Shares available under the Scheme beyond the maximum amount set out in By-Law 5 above;
 - (iii) prejudice any rights of the shareholders of the Company; or
 - (iv) no amendment, modification or amendment to a deletion of these By-Laws shall be made which will alter to the advantage of an Eligible Person in respect of any matters which are required to be contained in the By-Laws pursuant to the Listing Requirements, without the prior approval of the Company's shareholders obtained in a general meeting.

Such amendment or modification to the By-Laws does not need the prior approval of Bursa Securities. However, the Company shall submit to Bursa Securities a confirmation letter that the amendment or modification does not contravene any of the provisions of the Listing Requirements pertaining to the Scheme no later than five (5) Market Days after the effective date of the said amendment or modification is made.

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- 15.3 The LTIP Committee shall within ten (10) Market Days of any amendment and/or modification made pursuant to these By-Laws notify the LTIP Participant(s) in writing of any amendment and/or modification made pursuant to these By-Laws.

16. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

- 16.1 All LTIP Participant(s) are entitled to inspect the latest audited financial statements of the Company at the registered office of the Company during normal business hours on any working day of the registered office.

17. SCHEME NOT A TERM OF EMPLOYMENT

- 17.1 This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in SCIB Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any Eligible Person.

18. NO COMPENSATION FOR TERMINATION

- 18.1 No Eligible Person shall be entitled to any compensation for damages arising from the termination of the LTIP Awards(s) or this Scheme pursuant to the provisions of these By-Laws.
- 18.2 Notwithstanding any provisions of these By-Laws:
- (i) this Scheme shall not form part of any contract of employment between the Company or any company within SCIB Group and any Eligible Person of any company of SCIB Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within SCIB Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the LTIP Award(s) or consideration for the LTIP Award(s) afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
 - (ii) this Scheme shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the LTIP Award(s)) against the Company or any company within SCIB Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any company within SCIB Group;
 - (iii) no LTIP Participant(s) or his/her personal or legal representative (as the case may be) shall bring any claim, action or proceeding against any company within SCIB Group, the LTIP Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights to his/her LTIP Award(s) or his/her LTIP Award(s) ceasing to be valid pursuant to the provisions of these By-Laws; and
 - (iv) the Company, the Board (including Directors that had resigned but were on the Board during the duration of the Scheme) or the LTIP Committee shall in no event be liable to the LTIP Participant(s) or his/her personal or legal representative (as the case may be) or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings

or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company within SCIB Group, the Board or the LTIP Committee has been advised of the possibility of such damage.

19. DISPUTES

- 19.1 In case any dispute or difference shall arise between the LTIP Committee and an Eligible Person or a LTIP Participant or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the LTIP Committee during the duration of the Scheme. The LTIP Committee then shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) given to the Eligible Person and/or the LTIP Participant, as the case may be PROVIDED THAT where the dispute is raised by a member of the LTIP Committee, the said member shall abstain from voting in respect of the decision of the LTIP Committee in that instance. In the event the Eligible Person or the LTIP Participant(s), as the case may be, shall dispute the same by written notice to the LTIP Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, PROVIDED THAT any Director of the Company who is also in the LTIP Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the LTIP Committee shall be borne by such party.
- 19.2 Notwithstanding the foregoing provisions of By-Law 19.1 above, matters concerning adjustments made pursuant to By-Law 9 shall be referred to external auditors or the Adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

20. COSTS AND EXPENSES

- 20.1 Unless otherwise stipulated by the Company in the LTIP Award(s), all fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issuance and/or transfer of the Shares pursuant LTIP Award(s), shall be borne by the Company. Notwithstanding this, the LTIP Participant(s) shall bear any fees, costs and expenses incurred in relation to his/her acceptance of the LTIP Award(s) and/or exercise of the SOP Option(s) under the Scheme and any holding or dealing of the Shares after the Shares have been successfully issued and allotted or transferred to the LTIP Participant(s) pursuant to the LTIP Award(s), including but not limited to the opening and maintenance of his or her own CDS Account, brokerage commissions and stamp duties.

21. CONSTITUTION

- 21.1 In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the provisions of the Constitution shall at all times prevail save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

22. TAXES

- 22.1 For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the Shares pursuant to the SGP Award(s) and/or exercising of the SOP Option(s) and any holding or dealing of such Shares (including but not limited to brokerage commissions and stamp duty) under the Scheme shall be borne by the LTIP Participant(s) for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

23. LISTING OF AND QUOTATION FOR THE SHARES

- 23.1 An application will be made by the Company for the listing of and quotation for such new Shares to be issued pursuant to LTIP Award(s) on the Main Market of Bursa Securities.
- 23.2 The Company and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list the Shares for which the LTIP Participant(s) are entitled to.

24. NOTICE

- 24.1 Any notice under the Scheme required to be given to or served upon the LTIP Committee by an Eligible Person or LTIP Participant(s) or any correspondence to be made between an Eligible Person or LTIP Participant(s) to the LTIP Committee shall be given or made in writing and either delivered by hand or sent to the LTIP Committee or the Company by email or ordinary letter. Notwithstanding the foregoing, proof of posting shall not be evidence of receipt of the letter.
- 24.2 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the LTIP Participant(s) pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given;
- (i) if it is sent by ordinary post by the Company to the Eligible Person or the LTIP Participant(s) at the last address known to the Company as being his/her address such notice or request shall be deemed to have been received three (3) Market Days after posting;
 - (ii) if it is delivered by hand to the Eligible Person or the LTIP Participant(s), such notice or request shall be deemed to have been received on the date of delivery; and
 - (iii) if it is sent by electronic media, including but not limited to electronic mail to the Eligible Person or the LTIP Participant(s), such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.

Any change of address of the Eligible Person or the LTIP Participant(s) shall be communicated in writing to the Company by email or ordinary letter.

- 24.3 Where any notice which the Company or the LTIP Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the LTIP Participant(s) (as the case may be) pursuant to the Scheme, the Company or the LTIP Committee may give such notice through an announcement to all employees of SCIB Group to be made in such manner deemed appropriate by the LTIP Participant(s) (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 24.2 above shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or LTIP Participant(s), as the case may be.

25. SEVERABILITY

- 25.1 Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

26. DISCLOSURES IN ANNUAL REPORT

- 26.1 The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements.

27. SUBSEQUENT LONG TERM INCENTIVE PLAN

- 27.1 Subject to the approval of Bursa Securities and other relevant authorities, the Company may establish a new long term incentive plan after the expiry date of this scheme or upon termination of this Scheme.
- 27.2 The Company may implement more than one (1) scheme PROVIDED THAT the aggregate number of shares available under all the Schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

28. GOVERNING LAW AND JURISDICTION

- 28.1 The Scheme, these By-Laws, all LTIP Award(s) awarded and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia.
- 28.2 The Eligible Persons, by accepting the LTIP Award(s) in accordance with these By-Laws and terms of the Scheme and the Constitution, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

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SECTION 1**SGP****29. SGP AWARD**

- 29.1 During the duration of the Scheme as provided under By-Law 13, the LTIP Committee may, at its sole discretion, at any time and from time to time award the SGP Award(s) in writing to an Eligible Person subject to the Maximum Allowable Allotment as set out in By-Law 5 and further subject to other terms and conditions of these By-Laws. Each SGP Award(s) awarded to the selected Eligible Person(s) shall be separate and independent from any previous or subsequent SGP Award(s) awarded by the LTIP Committee to that Eligible Person.
- 29.2 The actual number of the Shares which may be awarded to an Eligible Person shall be at the discretion of the LTIP Committee, subject to any adjustments that may be made under By-Law 9. The number of the Shares arising from the vesting of the SGP Award(s) shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allotment as set out in By-Law 5 and shall be in multiples of one hundred (100) Shares. The LTIP Committee may stipulate any terms and conditions it deems appropriate in a SGP Award(s) and the terms and conditions of each may differ.
- 29.3 The LTIP Committee shall, in its LTIP Award letter to an Eligible Person, state, amongst others:
- (i) the number of the Shares which the Eligible Person shall be entitled upon acceptance of the SGP Award(s);
 - (ii) the SGP Award Date;
 - (iii) the manner of acceptance of the SGP Award(s);
 - (iv) the closing date for acceptance of the SGP Award(s);
 - (v) the vesting conditions of the SGP Award(s) as determined by the LTIP Committee, if any;
 - (vi) the SGP Vesting Date(s); and
 - (vii) any other terms and conditions deemed necessary by the LTIP Committee.
- 29.4 Under the SGP, the reference price of the SGP Awards to be awarded will be determined based on the fair value of the SGP Awards, which will take into account, amongst others, the market price of the Shares as at or prior to the award date of the SGP Awards.
- 29.5 Without prejudice to By-Law 14, in the event the LTIP Award letter contains an error on the part of the Company in stating any of the particulars in By-Law 29.3 above, as soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental LTIP Award letter, stating the correct particulars referred to in By-Law 29.3.

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30. ACCEPTANCE

- 30.1 The SGP Award(s) shall be valid for acceptance by the Eligible Person(s) for a period of thirty (30) days from the SGP Award Date (inclusive) or such period as may be determined by the LTIP Committee at its sole discretion on a case to case basis.
- 30.2 The SGP Award(s) shall be accepted by an Eligible Person within the time as aforesaid by written notice to the Company accompanied by a nominal non-refundable payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only, as acceptance of the SGP Award(s).
- 30.3 The day of receipt by the Company of such written notice shall constitute the date of acceptance of the SGP Award(s).
- 30.4 If the SGP Award(s) is not accepted in the manner as set out in By-Law 30.2 and within the time as set out in By-Law 30.1 or in the event of death or cessation of employment of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the SGP Award(s), the SGP Award(s) shall automatically lapse and become null and void. The SGP Award(s) may, at the discretion of the LTIP Committee, be re-offered to other Eligible Person.
- 30.5 Upon acceptance of the SGP Award(s) by the Eligible Person(s), the SGP Award(s) will be vested to the SGP Participant(s) on the SGP Vesting Date(s) during the duration of the Scheme subject to the SGP Participant(s) fulfilling the vesting conditions, if any, as determined by the LTIP Committee.
- 30.6 The SGP Participant is not required to pay for the Shares they are entitled to receive upon vesting of the SGP Award(s).

31. SGP VESTING CONDITIONS

- 31.1 The LTIP Committee shall, as and when it deems necessary, review and determine at its own discretion the vesting conditions specified in respect of the SGP Award(s). The Shares to be issued under the SGP Award(s) shall be vested to the SGP Participant(s) on the SGP Vesting Date once the vesting conditions, if any, are fully and duly satisfied which includes amongst others, the following:
- (i) the SGP Participant(s) must remain as an employee and shall not have given a notice to resign or receive a notice of termination as at the SGP Vesting Date; and
 - (ii) any other conditions which are determined by the LTIP Committee.
- 31.2 If applicable, where the LTIP Committee has determined that the vesting conditions have been fully and duly satisfied, the LTIP Committee shall notify the SGP Participant(s) of the number of the Shares vested or which will be vested to him/her on the SGP Vesting Date ("**SGP Vesting Notice**").
- 31.3 No SGP Participant(s) shall have the right to or interest in the Shares under the SGP Award(s) until and unless such number of new Shares are credited into their respective CDS Accounts.
- 31.4 The SGP Participant(s) shall provide all information as required in the SGP Vesting Notice and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall within eight (8) Market Days from the SGP Vesting Date or such other period as may be prescribed or allowed by Bursa Securities,

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- (i) allot and issue such number of new Shares and/or transfer the relevant number of existing Shares to the SGP Participant(s) (subject to absolute discretion of the LTIP Committee);
 - (ii) despatch notices of allotment and/or notice of transfer to the SGP Participant(s) accordingly, if applicable; and
 - (iii) apply for quotation of such new Shares.
- 31.5 The Shares arising from the vesting of the SGP Award(s) shall be credited directly to the CDS Account of the SGP Participant(s) and no physical share certificate will be issued and delivered to the SGP Participant(s) or his authorised nominee as the case may be. The SGP Participant(s) shall provide the LTIP Committee with his/her CDS Account number when accepting the SGP Award(s). Any change to the SGP Participant(s)' CDS Account number will need to be made in writing to the LTIP Committee.
- 31.6 Any failure to comply with the procedures specified by the LTIP Committee or to provide information as required by the Company in the SGP Vesting Notice or inaccuracy in the CDS Account number provided shall result in the SGP Vesting Notice being rejected at the sole discretion of the LTIP Committee. The LTIP Committee shall inform the SGP Participant of the rejection of the SGP Vesting Notice within five (5) Market Days from the date of rejection and the SGP Participant shall then be deemed not to have vested his/her SGP Award(s).
- 31.7 Notwithstanding anything contrary contained in these By-Laws, the LTIP Committee shall have the right, at its sole discretion by notice in writing to the relevant SGP Participant(s) to that effect, to suspend the unvested SGP Award(s) of any SGP Participant(s) who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such SGP Participant or are found to have had no basis or justification) pending the outcome of such disciplinary proceedings.
- 31.8 In addition to the right to suspend, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole discretion, on the SGP Participant's unvested SGP Award(s) having regard to the nature of the charges made or brought against such SGP Participant, PROVIDED ALWAYS THAT:
- a. in the event such SGP Participant is found not guilty of the charges which gave rise to such disciplinary proceedings, the LTIP Committee shall reinstate the unvested SGP Award(s) of such SGP Participant;
 - b. in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such SGP Participant, all or any part of any unvested SGP Award(s) of the SGP Participant shall immediately lapse and become null and void and of no further force and effect, without notice to the SGP Participant, upon pronouncement of the dismissal or termination of service of such SGP Participant notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the SGP Participant in any other forum; or
 - c. in the event the SGP Participant is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its sole discretion whether or not the SGP Participant may continue to satisfy the vesting conditions of the unvested SGP Award(s).

and nothing herein shall impose any obligations on the LTIP Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceedings and the LTIP Committee shall

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not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the LTIP Committee's exercise of or failure to exercise any of its rights under these By-Laws.

32. NON-TRANSFERABILITY

- 32.1 An SGP Award(s) is personal to the Eligible Person(s) and shall be accepted solely by that Eligible Person(s) and is not capable of being accepted by any third party on behalf of that Eligible Person(s) by his/her representative or any other persons.
- 32.2 Subject to the provisions in these By-Laws, an SGP Award(s) is personal to the SGP Participant(s) during his/her employment or appointment within SCIB Group and it shall not be transferred, assigned or disposed of by the SGP Participant(s).

33. TERMINATION OF SGP AWARD(S)

- 33.1 Prior to the full vesting of any SGP Award(s) in the manner as provided for under By-Law 31.2, such SGP Award(s) that remain unvested shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company in the following circumstances:
- (i) termination or cessation of employment of the SGP Participant(s) within SCIB Group for any reason whatsoever, in such event the unvested SGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SCIB Group on the day the SGP Participant(s)' employer accepts his/her notice of resignation or the SGP Participant(s)' employer notifies the SGP Participant(s) of termination of his/her employment or on the day the SGP Participant(s) notifies his/her employer of his/her resignation or on the SGP Participant(s)' last day of employment, whichever is the earlier;
 - (ii) bankruptcy of the SGP Participant(s), in such event the unvested SGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SCIB Group on the date a receiving order is made against the SGP Participant(s) by a court of competent jurisdiction;
 - (iii) upon the happening of any other event which results in the SGP Participant(s) being deprived of the beneficial ownership of the unvested SGP Award(s), in such event the unvested SGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SCIB Group on the date such event occurs;
 - (iv) winding up or liquidation of the Company, in such event the unvested SGP Award(s) shall be automatically terminated and/or cease to be valid on the following date:
 - (a) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company;

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- (v) the subsidiary which employs the SGP Participant(s) ceasing to be part of the SCIB Group in such event the SGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid on the date the subsidiary ceases to be part of the SCIB Group; or
- (vi) termination of the Scheme pursuant to By-Law 13.5, in such event the unvested SGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SCIB Group on the termination date, whichever shall be applicable.

33.2 Upon the termination of the unvested SGP Award(s) pursuant to By-Laws 33.1 above, the SGP Participant(s) shall have no right to compensation or damages or any claim against the Company or any company within SCIB Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any SGP Award(s) or his/her SGP Award(s) ceasing to be valid.

33.3 Notwithstanding By-Law 33.1(i) above, the LTIP Committee may at its discretion allow for all or any part of any unvested SGP Award(s) to vest in accordance with the provisions of these By-Laws on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

- (i) retirement upon or after attaining the age in accordance with the Company's retirement policy;
- (ii) retirement before attaining the normal retirement age with the consent of his/her employer;
- (iii) ill-health, injury, physical or mental disability;
- (iv) redundancy or retrenchment pursuant to the acceptance by that SGP Participant(s) or a voluntary separation scheme offered by a company within SCIB Group; or
- (v) any other circumstance as may be deemed as acceptable to the LTIP Committee in its sole discretion,

PROVIDED THAT no SGP Award(s) shall vest after the expiry of the vesting period. Unless the LTIP Committee in its discretion permits such vesting in accordance with this By-Law 33.3, any unvested SGP Award(s) shall cease or be deemed to cease to be capable of vesting to the SGP Participant(s) without any liability or right to claim against the Company and/or the LTIP Committee and/or the Board.

33.4 Where a SGP Participant(s) dies before the expiry of the vesting period for the SGP Award(s), the LTIP Committee may at its discretion determine that all or any part of any unvested SGP Award(s) held by the SGP Participant(s), be vested to the executor or administrator of that deceased SGP Participant(s), and the times or periods at or within which such SGP Award(s) may vest, PROVIDED ALWAYS THAT no SGP Award(s) may vest after the expiry of the vesting period. In this regard, the LTIP Committee may require the executor or administrator of that deceased SGP Participant(s) to provide evidence satisfactory to the LTIP Committee of his status as such executor or administrator, as the case may be.

33.5 Notwithstanding By-Law 33.4 above, the SGP Participant(s) may, during his/her lifetime, nominate any of his/her immediate family members who have attained the age of eighteen (18) years at the time of nomination to receive the SGP Award(s) (which are unvested at the time of the death of the deceased SGP Participant(s)) after the death of the deceased SGP Participant(s) but in any event during the duration of the Scheme. The SGP Award(s) awarded pursuant to the provision of this By-

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Law 33.5 may be for the benefit of the estate of the SGP Participant(s) or the personal benefit of the nominated person. The nomination as aforesaid shall be made by the SGP Participant(s) during his/her lifetime and shall be in the prescribed form approved by the LTIP Committee and the Shares to be allotted and issued will be in the name of the deceased SGP Participant(s)'s estate or in the name of the nominated person as the SGP Participant(s) shall elect in his/her lifetime. In the event no nomination is made by the SGP Participant(s) during his/her lifetime, the LTIP Committee may at its discretion determine that his/her unvested SGP Award(s) shall only vested to the legal personal representatives pursuant to By-Law 33.4 above.

- 33.6 For the purposes of By-Law 33.5 above, the term "**immediate family members**" shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the SGP Participant(s).

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SECTION 2**SOP****34. SOP AWARD**

- 34.1 During the duration of the Scheme as provided under By-Law 13, the LTIP Committee may, at its sole discretion, at any time and from time to time award the SOP Award(s) in writing to an Eligible Person subject to the Maximum Allowable Allotment as set out in By-Law 5 and further subject to other terms and conditions of these By-Laws. Each SOP Award(s) awarded to selected Eligible Person(s) shall be separate and independent from any previous or subsequent SOP Award(s) awarded by the LTIP Committee to that Eligible Person.
- 34.2 The actual number of SOP Option(s) which may be awarded to an Eligible Person shall be at the discretion of the LTIP Committee, subject to any adjustments that may be made under By-Law 9. The number of the Shares which may be allotted and issued upon exercising the SOP Option(s) shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allotment as set out in By-Law 5 and shall be in multiples of one hundred (100) Shares. The LTIP Committee may stipulate any terms and conditions it deems appropriate in a SOP Award(s) and the terms and conditions of each may differ.
- 34.3 The LTIP Committee shall, in its LTIP Award letter to an Eligible Person, state, amongst others:
- (i) the number of SOP Option(s) under the SOP Award(s) that are being awarded to the Eligible Person;
 - (ii) the number of the Share(s) which the Eligible Person shall be entitled to subscribe for upon the exercise of the SOP Option(s);
 - (iii) the SOP Award Date;
 - (iv) the manner of acceptance of the SOP Award(s);
 - (v) the Option Price;
 - (vi) the closing date for acceptance of the SOP Award(s);
 - (vii) the vesting conditions of the SOP Option(s) as determined by the LTIP Committee, if any;
 - (viii) SOP Vesting Date(s); and
 - (ix) any other terms and conditions deemed necessary by the LTIP Committee.
- 34.4 Without prejudice to By-Law 14, in the event the LTIP Award letter contains an error on the part of the Company in stating any of the particulars in By-Law 34.3 above, the following provisions shall apply:

- (i) as soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental LTIP Award letter, stating the correct particulars referred to in By-Law 34.3;
- (ii) in the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental LTIP Award letter shall remain as the Option Price as per the original LTIP Award letter; and
- (iii) in the event that the error relates to the Option Price, the applicable Option Price shall be the Option Price in the supplemental LTIP Award letter and with effect as at the date of the supplemental LTIP Award letter, save and except with respect to any SOP Option(s) which have already been exercised as at the date of issue of the supplemental LTIP Award letter.

35. ACCEPTANCE

- 35.1 The SOP Award(s) shall be valid for acceptance by the Eligible Person(s) for a period of thirty (30) days from the SOP Award Date (inclusive) or such period as the LTIP Committee at its sole discretion on a case to case basis.
- 35.2 The SOP Award(s) shall be accepted by an Eligible Person within the time as aforesaid by written notice to the Company accompanied by a nominal non-refundable payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only, as acceptance of the SOP Award(s).
- 35.3 The day of receipt by the Company of such written notice shall constitute the date of acceptance of SOP Award(s).
- 35.4 If the SOP Award(s) is not accepted in the manner as set out in By-Law 35.2 and within the time as set out in By-Law 35.1 or in the event of death or cessation of employment of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the SOP Award(s), the SOP Award(s) shall automatically lapse and become null and void. The SOP Award(s) may, at the discretion of the LTIP Committee, be re-offered to other Eligible Person.
- 35.5 Upon acceptance of the SOP Award(s) by the Eligible Person(s), the SOP Award(s) will be vested to the SOP Participant(s) on the SOP Vesting Date(s) during the duration of the Scheme, subject to the SOP Participant(s) fulfilling the vesting condition(s), if any, as determined by the LTIP Committee.

36. SOP VESTING CONDITIONS AND EXERCISE OF OPTIONS

- 36.1 Subject to the provisions of these By-Laws, the SOP Option(s) awarded to the SOP Participant(s) are exercisable by that SOP Participant(s) during his/she employment in SCIB Group during the duration of the Scheme. All unexercised SOP Options shall become null and void after the expiry date of this Scheme without any claim against the Company or any company within SCIB Group.
- 36.2 The LTIP Committee shall, as and when it deems necessary, review and determine at its own discretion the vesting conditions specified in respect of the SOP Award(s). The SOP Option(s)

can be exercised by the SOP Participant(s) on the SOP Vesting Date once the vesting conditions, if any, are fully and duly satisfied which includes amongst others, the following:

- (i) the SOP Participant(s) must remain as an employee and shall not have given a notice to resign or receive a notice of termination on the SOP Vesting Date; and
- (ii) any other conditions which are determined by the LTIP Committee.

36.3 If applicable, where the LTIP Committee has determined that the vesting conditions have been fully and duly satisfied, the LTIP Committee shall notify the SOP Participant(s) the number of SOP Options vested or which will be vested to him/her on the SOP Vesting Date ("**SOP Vesting Notice**").

36.4 A SOP Participant shall exercise his/her vested SOP Option(s) by notice in writing to the Company in such form as the LTIP Committee may prescribe or approve. The procedure for the exercise of the SOP Option(s) to be complied with by a SOP Participant shall be determined by the LTIP Committee from time to time.

36.5 Every written notice to exercise the SOP Option(s) shall state the number of the Shares that a SOP Participant intends to subscribe and shall state his CDS Account ("**Notice of Exercise**").

36.6 The SOP Participant(s) shall complete the Notice of Exercise together with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the LTIP Committee for the full amount of the Option Price in relation to the number of the Shares in respect of which the Notice of Exercise is given and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall within eight (8) Market Days from the date of receipt of the Notice of Exercise or such other period as may be prescribed or allowed by Bursa Securities,

- (i) allot and issue such number of new Shares and/or transfer the relevant number of existing Shares to the SOP Participant(s) (subject to absolute discretion of the LTIP Committee);
- (ii) despatch a notice of allotment to the SOP Participant, if applicable; and
- (iii) apply for quotation of such new Shares.

36.7 The Shares arising from the exercising of the SOP Award(s) shall be credited directly to the CDS Account of the SOP Participant(s) and no physical share certificate will be issued and delivered to the SOP Participant(s). The SOP Participant(s) shall provide the LTIP Committee with his/her CDS Account number when accepting the SOP Award(s). Any change to the SOP Participant(s)' CDS Account number will need to be made in writing to the LTIP Committee.

36.8 Any failure to comply with the procedures specified by the LTIP Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the sole discretion of the LTIP Committee. The LTIP Committee shall inform the SOP Participant of the

rejection of the Notice of Exercise within five (5) Market Days from the date of rejection and the SOP Participant shall then be deemed not to have exercised his/her SOP Option(s).

- 36.9 The LTIP Committee may with its power under By-Law 14, at any time and from time to time, before and after the SOP Award(s) is awarded, limit the exercise of the SOP Options to a maximum number of Shares and/or such percentage of the total Shares comprised in the SOP Options and impose any other terms and/or conditions deemed appropriate by the LTIP Committee in its sole discretion including amending or varying any terms and conditions imposed earlier.
- 36.10 A SOP Participant shall exercise the SOP Option(s) awarded to him/her in whole or part multiples of one hundred (100) new Shares or such other units of the Shares constituting one (1) board lot as may be determined by the LTIP Committee, save and except where a SOP Participant's balance of SOP Option(s) exercisable in accordance with these By-Laws shall be less than one hundred (100) new Shares or such other units of the Shares constituting one (1) board lot as may be determined by the LTIP Committee, in which case the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an SOP Option shall not preclude the SOP Participant from exercising the SOP Option(s) as to the balance of any SOP Option(s).
- 36.11 Notwithstanding anything contrary contained in these By-Laws, the LTIP Committee shall have the right, at its sole discretion by notice in writing to the relevant SOP Participant(s) to that effect, to suspend the right of any SOP Participant(s) who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such SOP Participant or are found to have had no basis or justification) to exercise his/her SOP Option(s) pending the outcome of such disciplinary proceedings.
- 36.12 In addition to the right to suspend, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole discretion, on the SOP Participant's right to exercise his/her SOP Option(s) having regard to the nature of the charges made or brought against such SOP Participant, PROVIDED ALWAYS THAT:
- (i) in the event such SOP Participant is found not guilty of the charges which gave rise to such disciplinary proceedings, the LTIP Committee shall reinstate the right of such SOP Participant to exercise his/her SOP Option(s);
 - (ii) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such SOP Participant, all unexercised and partially exercised SOP Option(s) of the SOP Participant shall immediately lapse and become null and void and of no further force and effect, without notice to the SOP Participant, upon pronouncement of the dismissal or termination of service of such SOP Participant notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the SOP Participant in any other forum; or
 - (iii) in the event the SOP Participant is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its sole discretion whether or not the SOP Participant may continue to exercise his/her SOP Option(s) or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise right.

and nothing herein shall impose any obligations on the LTIP Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceedings and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the LTIP Committee's exercise of or failure to exercise any of its rights under these By-Laws.

37. NON-TRANSFERABILITY

- 37.1 An SOP Award(s) is personal to the Eligible Person(s) and shall be accepted solely by that Eligible Person(s) and is not capable of being accepted by any third party on behalf of that Eligible Person(s) by his/her representative or any other persons.
- 37.2 Subject to the provisions in these By-Laws, an SOP Award(s) is personal to the SOP Participant(s) during his/her employment or appointment within SCIB Group and it shall not be transferred, assigned or disposed of by the SOP Participant(s).

38. OPTION PRICE

- 38.1 Subject to any adjustments in accordance with By-Law 9 and pursuant to the Listing Requirements, the Option Price shall be based on a price to be determined by the Board upon recommendation of the LTIP Committee which will be based on the volume weighted average price of the Shares for the five (5) Market Days immediately preceding the SOP Award Date with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme.

39. TERMINATION OF SOP AWARD(S)

- 39.1 Prior to the full vesting of any SOP Award(s) in the manner as provided for under By-Law 36.3, such SOP Award(s) that remain unvested shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company in the following circumstances:
- (i) termination or cessation of employment of the SOP Participant(s) within SCIB Group for any reasons whatsoever, in which event the SOP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SCIB Group on the day the SOP Participant(s)' employer accepts his/her notice of resignation or the SOP Participant(s)' employer notifies the SOP Participant(s) of termination of his/her employment or on the day the SOP Participant(s) notifies his/her employer of his/her resignation or on the SOP Participant(s)' last day of employment, whichever is the earlier;
 - (ii) bankruptcy of the SOP Participant(s), in which event the SOP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SCIB Group on the date a receiving order is made against the SOP Participant(s) by a court of competent jurisdiction;

- (iii) upon the happening of any other event which results in the SOP Participant(s) being deprived of the beneficial ownership of the SOP Award(s), in such event the SOP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SCIB Group on the date such event occurs;
- (iv) winding up or liquidation of the Company, in such event the SOP Option(s) shall be automatically terminated on the following date:
 - (a) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (v) termination of the Scheme pursuant to By-Law 13.5, in such event the SOP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SCIB Group on the termination date;

whichever shall be applicable.

- 39.2 Upon the termination of the SOP Award(s) pursuant to By-Laws 39.1 above, the SOP Participant(s) shall have no right to compensation or damages or any claim against the Company or any company within SCIB Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any SOP Award(s) or his/her SOP Award(s) ceasing to be valid.
- 39.3 Notwithstanding By-Law 39.1 above, the LTIP Committee may at its discretion allow a SOP Participant to continue to hold and to exercise any SOP Option(s) held by him/her in accordance with the provisions of these By-Laws on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
- (i) retirement upon or after attaining the age in accordance with the Company's retirement policy;
 - (ii) retirement before attaining the normal retirement age with the consent of his/her employer;
 - (iii) ill-health, injury, physical or mental disability;
 - (iv) redundancy, retrenchment pursuant to the acceptance by that SOP Participant(s) or voluntary separation scheme offered by a company within SCIB Group; or
 - (v) any other circumstances as may be deemed as acceptable to the LTIP Committee in its sole discretion.

- 39.4 Applications under By-Law 39.3 above shall be made during the duration of the Scheme and:
- (i) in a case where By-Law 39.3(i), (ii) or (v) is applicable, within one (1) month before the SOP Participant(s)' last day of employment, the SOP Participant(s) may be vested with such number of unvested Shares under the SOP Award(s) within the said one (1) month period. In the event that no application is received by the LTIP Committee within the said period, any such number of unvested Shares under the SOP Award(s) at the expiry of the said period shall be automatically terminated;
 - (ii) in a case where By-Law 39.3(iii) is applicable, within one (1) month after the SOP Participant(s) notifies his/her employer of his/her resignation due to ill-health, injury, physical or mental disability, the SOP Participant(s) may be vested with such number of unvested Shares under the SOP Award(s) within the said one (1) month period. In the event that no application is received by the LTIP Committee within the said period, any unvested Shares under the SOP Award(s) at the expiry of the said period shall be automatically terminated; and
 - (iii) in a case where By-Law 39.3(iv) is applicable, within one (1) month after the SOP Participant(s) are notified that he/she will be retrenched or, where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, within one (1) month after he/she accepts such offer. Thereafter, any such number of unvested and/or unexercised Shares under the SOP Award(s) at the expiry of the said period shall be automatically terminated.
- 39.5 The LTIP Committee shall consider applications under By-Law 39.3 on a case to case basis and may at its sole discretion approve or reject any application in whole or in part without giving any reasons thereof and may impose any terms and conditions in granting an approval. The decisions of the LTIP Committee shall be final and binding. In the event the LTIP Committee approves an application in whole or in part, the SOP Participant(s) may exercise the SOP Option(s) which are the subject of the approval for such period so approved by the LTIP Committee during the duration of the Scheme and subject to the provisions of By-Law 36. Any SOP Option(s) in respect of which an application is rejected shall be deemed automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 39.1 or on the date of the LTIP Committee's decision, whichever is the later.
- 39.6 In the event a SOP Participant(s) dies before the expiration of the duration of the Scheme and at the time of his/her death held unexercised SOP Option(s), such unexercised SOP Option(s) may be exercised by the representative of the deceased SOP Participant(s) after the date of his/her death PROVIDED THAT such exercise shall be within the duration of the Scheme subject to the approval of the LTIP Committee.
- 39.7 Notwithstanding By-Law 39.6 above, the SOP Participant(s) may, during his/her lifetime, nominate any of his/her immediate family members who have attained the age of eighteen (18) years at the time of nomination to exercise the SOP Option(s) (which are unexercised at the time of the death of the deceased SOP Participant(s)) or after the death of the deceased SOP Participant(s) but in any event during the duration of the scheme. The SOP Option(s) exercised pursuant to the provision of this By-Law 39.7 may be for the benefit of the estate of the SOP Participant(s) or the personal benefit of the nominated person. The nomination as aforesaid shall be made by the SOP Participant(s) during his/her lifetime and shall be in the

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prescribed form approved by the LTIP Committee and the Shares to be allotted and issued will be in the name of the deceased SOP Participant(s)'s estate or in the name of the nominated person as the SOP Participant(s) shall elect in his/her lifetime. In the event no nomination is made by the SOP Participant(s) during his/her lifetime, his/her unexercised SOP Option(s) shall only be exercised by the legal personal representatives pursuant to By-Law 39.6 above.

- 39.8 For the purposes of By-Law 39.7 above, the term "**immediate family members**" shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the SOP Participant(s).

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1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board 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**2.1 M & A Securities**

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 Principal Adviser to SCIB in relation to the Proposals.

2.2 Providence

Providence, being the independent market researcher for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IMR Report referred to in this Circular and all references thereto in the form and context in which they appear in this Circular.

Providence do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the independent market researcher of the Company for the Proposals.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATIONS

Save as disclosed below, as at LPD, the Group is not engaged in any material litigation, claims or arbitrations, either as plaintiff or defendant, which may have a material effect on the financial position of the Group and the Board is not aware of and has no knowledge of any proceedings pending or threatened against the Group or of any facts likely to give rise to any such proceedings which might materially and adversely affect the financial position or business of the Group.

(a) In the Shah Alam High Court

Civil Suit No: BA-22NCC-83-07/2023

SCIB v Dynamic Prestige Consultancy Sdn Bhd ("**DPC**")

SCIB has paid an amount of RM14,000,000.00 in tranches in October 2022 and November 2022 to DPC to collaborate and become strategic business partners to explore business opportunities in the EPCC sector.

The DPC in consideration, were to propose a subscription of Redeemable Convertible Preference Share ("**RCPS**") in DPC. In the letter dated 7 March 2023, it is agreed that the sum of RM14,000,000.00 paid shall be refunded by DPC should either party decided not to continue with the RCPS exercise. Subsequently, the SCIB has decided not to proceed with the subscription of the RCPS and demanded the DPC to refund the sum paid by SCIB.

APPENDIX III – FURTHER INFORMATION

However, DPC has failed to refund the sum of RM14,000,000.00 despite SCIB's decision to not continue with the RCPS exercise.

On 26 July 2023, SCIB had served a writ of summon to OPS to which the same was filed in Shah Alam High Court against the DPC for a claim of refund of the RM14,000,000.00 abovementioned ("**Main Suit**") as well as Ex-parte Notice of Application for an injunction to prevent DPC from dissipating its assets pending the hearing and disposal of the Main Suit ("**Injunction Application**").

On 1 August 2023, the Shah Alam High Court granted SCIB an ad-interim injunction to prevent DPC from dissipating its assets pending hearing and disposal of the Main Suit and directed both parties to file their respective cause papers and pleadings.

On 7 September 2023, SCIB had filed a recusal proceeding against DPC's Solicitor as it is believed that DPC's solicitor might have conflict of interest in the case.

On 1 November 2023, SCIB had filed an expunge application to expunge a number of statements pleaded by the Defendant which are highly scandalous, frivolous or vexatious and irrelevant to the case at hand.

On 1 November 2023, Shah Alam High Court has fixed the hearing for, amongst other, the Injunction Application, Refusal Application, and Expunge Application on 16 January 2024 which was then extended to 30 January 2024.

On 30 January 2024, the Shah Alam High Court held that, for the injunction application was granted and the order previously granted is maintained until the disposal of the main suit.

As for the expunge application, the Shah Alam High Court dismissed the application and held that the Defendant is entitled to raise the issues in the pleadings to be proven during the trial wherein, the Defendant should not be deprived from opportunity to prove at case. As such, the excerpts from the Defence and Defendant's Affidavit remain unchanged.

Furthermore, for the recusal application, the Court allowed this application and held that SCIB has proven that the Defendant's solicitors would be conflicted to act for the Defendant if they were to continue to act as their solicitors in these proceedings. As such, the Defendant's solicitors will not be allowed to act or represent the Defendant in these proceedings.

The SCIB's solicitor is not able to comment on the probable outcome of this suit as the matter is still in the preliminary stages. Notwithstanding the above, the solicitors are optimistic towards the outcome of the main suit wherein, the next case management was fixed on 29 February 2024 for further directions from the judge.

(b) In the Sepang Sessions Court

Civil Suit No: BK-B52-5-05/2023

Kabaz Sdn Bhd ("**Kabaz**") v SCIB

Kabaz had on 26 May 2023 filed a writ of summon in Sepang Sessions Court against SCIB for an outstanding rental sum of RM320,000.00.

In early 2020, both parties have entered into a letter of offer whereby Kabaz offered to SCIB which SCIB accepted to purchase a property in Cyberjaya from Kabaz and SCIB has then paid a sum of RM450,000.00 to Kabaz as earnest deposit ("**Earnest**

Deposit") before the execution of a sale and purchase agreement. However, the sale and purchase was not materialised.

Pending the execution of the sale and purchase agreement, SCIB rented the aforesaid premises as their office commencing from 1 July 2020 to 31 March 2023 at monthly rental of RM80,000.00. SCIB had proposed to Kabaz to set off the rentals for December 2022 until March 2023 by utilising the Earnest Deposit paid earlier to Kabaz pursuant to the sale and purchase transaction which Kabaz disagreed.

Thereafter, Kabaz commenced this suit against SCIB on 26 May 2023 for the recovery of the outstanding rental sum as set out above.

In the same suit, SCIB filed a counter-claim against Kabaz to return the Earnest Deposit of RM450,000.00.

The Sepang Sessions Court has instructed parties to go for mediation. The mediation session was scheduled on 6 November 2023 at Shah Alam Court Mediation Centre. The outcome of the said session was however, unsuccessful as both parties could not reach an agreement. The next case management date was fixed on 28 November 2023 to obtain further directions from the court for the filing of Pre-Trial Documents.

Upon receiving a deed of assignment from the Plaintiff, SCIB has instructed its solicitors to file a determination application to expedite the litigation process without needing to go to trial. The same has been filed on 23 January 2024 and the next case management was set on 15 March 2024 to fix the hearing date for the determination application.

The SCIB's solicitor is of the view that SCIB has a fair chance of success in its counterclaim against Kabaz of which the Earnest Deposit if recovered can be utilised to set off Kabaz's claim of RM320,000.00.

(c) In the Shah Alam Sessions Court

Civil Suit No: BA-B52NCvC-103-06/2023

SCIB Industrialised Building System Sdn. Bhd. ("**SCIB IBS**") v NCX Capital Berhad ("**NCX**")

SCIB IBS had on 28 June 2023 filed a writ of summon in Shah Alam Sessions Court against NCX for a declaration of the appointment of NCX as a tender services consultant for two projects to be void as NCX has failed to enter tender for both projects and the recovery of consultancy engagement fees amounting to RM400,000.00 which was paid to NCX.

Due to NCX's failure to enter appearance, SCIB IBS has recorded a Judgment in Default of Appearance against NCX on 27 September 2023. SCIB IBS is in the midst of appointing solicitors to commence execution proceedings against NCX, particularly garnishee proceedings and/or winding-up to recover the judgement amount.

The SCIB IBS's Solicitors are in the midst of arranging the filing of the garnishee proceedings after service of the Amended Judgement in Default on 22 January 2024.

(d) In the Kuala Lumpur Sessions Court

Civil Suit No: WA-B52NCvC-276-06/2023

SCIB Properties v Bismark Capital Sdn Bhd ("**BC**")

APPENDIX III – FURTHER INFORMATION

SCIB Properties had on 28 June 2023 filed a writ of summon in Kuala Lumpur Sessions Court against BC for the recovery of security deposit amounting to RM350,000.00 which was paid to BC pursuant to a LOA dated 1 March 2022 whereby SCIB Properties was awarded by BC for "Project of Engineering Services for Maxis Installations and Fixed Monopole New Site Project Peninsular Malaysia 300 Units of Monopoles for Phase 1 – 50 poles".

BC had on 22 June 2022 issued a cancellation letter terminated the said project and agreed to refund the said security deposit to SCIB Properties within 30 days from the said cancellation letter of which BC has failed to proceed with the said refund until the filing of the suit.

Due to the BC's failure to enter appearance, SCIB Properties has recorded a Judgment in Default of Appearance against BC on 23 August 2023. SCIB IBS is in the midst of appointing solicitors to commence execution proceedings against BC, particularly judgment debtor summons and/or winding-up to recover the judgement amount.

SCIB's solicitors have filed a garnishee application on 29 December 2023 wherein, the Court has fixed the Show Cause hearing date on 9 February 2024.

(e) In the Kuching High Court

Civil Suit No: KCH-22NCC-5-8/2023

SCIB Properties v Semariang Bumi PJ Sdn Bhd ("**SBPJ**")

SCIB Properties had on 23 August 2023 filed a writ of summon in Kuching High Court against SBPJ for the recovery of advance payments amounting to RM2,686,276.10 which was paid to SBPJ in carrying out the two projects awarded by the SCIB Properties to the SBPJ i.e. 'Package 1: Road Infrastructure Projects in Bukit Goram / Katibas / Ngemah / Machan: Proposed Construction of Nanga Banjor / Nanga Makut Road, Katibas' ("**Katibas Project**") and 'Package 2: Road Infrastructure Projects in Pelagus / Baleh Proposed New Road from Baleh Bridge / RH. Belaja, Ng. Benin/SK. Ng. Pelagus / Pelagus Resort (Phase 1 –Section 1) ("**Pelagus Project**")'. Both the Katibas Project and Pelagus Project were subsequently abandoned and mutually terminated. SBPJ had vide a letter of undertaking dated 14 December 2022 undertaken to reimburse the said advance payment but to no avail.

Due to SBPJ's failure to enter appearance, SCIB Properties has recorded a Judgment in Default of Appearance against SBPJ on 22 September 2023.

SCIBP's solicitors have issued statutory notice of demand and commenced with garnishee proceedings on 16 October 2023 wherein the hearing for was fixed on 16 November 2023.

On 16 November 2023, SCIBP has obtained an Order to Show Cause wherein, the next hearing date for the Order to be made Absolute was fixed on 18 December 2023. On 21 December 2023, SCIBP has filed a notice of discontinuance for garnishee proceeding as the Defendant has not maintained their bank account with RHB Bank.

SCIBP proceeded with filing a winding-up petition on 17 January 2024 and the same has been served to the Defendant and to the Companies Commission of Malaysia on 22 January 2024. The Court has fixed the hearing date for the petition on 19 February 2024.

APPENDIX III – FURTHER INFORMATION

(f) In the Shah Alam High Court

Civil Suit No: BA-22NCC-221-06/2023

SCIB v Kencana Healthcare Sdn Bhd (“**KHSB**”)

SCIB had on 9 June 2023 filed a writ of summon in Shah Alam High Court against KHSB for recovery of commitment fee of RM1,650,000.00 pursuant to LOA dated 13 August 2021 for a project awarded by KHSB to carry out the capital equipment procurement and leasing concession for the procurement, supply, installation, testing and commissioning of medical equipment in relation to the proposal for the development of a specialist hospital complex and multi-storey parking.

Further to the said LOA, the parties have signed a term sheet dated 30 August 2021 which contains further terms and conditions in addition to the said LOA, amongst others, SCIB is required to make commitment fee in stages amounting to RM5,000,000.00 to KHSB. SCIB has paid the commitment fee of RM1,650,000.00 via 2 payments to KHSB. On 22 December 2022, the parties reached an agreement whereby KHSB agreed to SCIB’s revocation of acceptance to the said LOA vide a revocation letter dated 18 January 2023 and KHSB shall refund the commitment fee of RM1,650,000.00 to SCIB.

However, KHSB subsequently refused to return the commitment fee of RM1,650,000.00, leading to the commencement of this present suit.

Subsequently, KHSB filed a counter-claim for, amongst others, the remaining commitment fee amounting to RM3,350,000.00.

On 30 January 2024, SCIB had filed a determination application against KHSB and the Court has fixed for hearing on 22 April 2024. The SCIB’s solicitor is of the view that, it is probable that KHSB’s counter-claim would be dismissed, and SCIB has a good chance to have the legal basis to recover the sum of RM1,650,000.00.

4. MATERIAL COMMITMENTS

Save as disclose below, 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 SCIB Group.

On 26 January 2024, SCIB has announced the acquisition of five (5) plots of land known as Lot 787, 788, 789, 790 and 791 Block 4 Muara Tebas Land District (Plots 11, 12, 13, 14 and 15) at Taman Perindustrian Demak Laut Phase IIb (Stage 2), Kuching, Sarawak (“**the Land**”), with a total purchase consideration of RM21,621,356 to be satisfied in cash by five (5) yearly instalments basis as follow (hereinafter referred to as “**the Land Acquisition**”):

Year of Instalment	Instalment to be paid for the Land	Instalment Paid
2024 (First)	RM5,684,524	RM5,684,524
2025 (Second)	RM4,250,276	-
2026 (Third)	RM4,250,276	-
2027 (Fourth)	RM3,718,140	-
2028 (Fifth)	RM3,718,140	-
Total	RM21,621,356	RM5,684,524

APPENDIX III – FURTHER INFORMATION

The Land Acquisition will not have any immediate effect on the earnings and earnings per share of the SCIB Group for the financial year ending 30 June 2024. However, the Land Acquisition is expected to increase the gearing of SCIB Group for the financial year ending 30 June 2024 with the drawdown of new banking facilities to fund the land acquisition and construction of the new factory.

5. 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.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Lot 1258, Jalan Utama, Pending Industrial Estate, 93450 Kuching, Sarawak during the normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (a) Capitalisation Agreement;
- (b) Constitution of the Company;
- (c) audited consolidated financial statements of SCIB for the FYE 2022 and FYE 2023 as well as the unaudited financial statements for financial period ended 30 September 2023;
- (d) consent letters and declarations referred to in Section 2 above;
- (e) Independent Market Research report by Providence;
- (f) relevant cause papers in respect of the material litigation, claims and arbitrations referred to in Section 3 above; and
- (g) Draft By-Laws.

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SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No.: 197501003884 (25583-W)
(Incorporated in Malaysia under the Companies Act 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Sarawak Consolidated Industries Berhad (“**SCIB**” or the “**Company**”) will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting (“**RPV**”) facilities at <https://scib-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn. Bhd. in Malaysia on Wednesday, 27 March 2024 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

Date : Wednesday, 27 March 2024
Time : 10.30 a.m.
Online Meeting Platform : <https://scib-egm.digerati.com.my> (Domain Registration No. with MYNIC – D1A119533)

ORDINARY RESOLUTION 1

PROPOSED CAPITALISATION OF AN AGGREGATE AMOUNT OF RM11,301,266.80 DEBT OWING TO GOH HARDWARE & CONSTRUCTION SDN BHD (“GOH HARDWARE” OR “CREDITOR”) BY SCIB PROPERTIES SDN BHD (“SCIB PROPERTIES”), A WHOLLY-OWNED SUBSIDIARY OF SCIB VIA THE ISSUANCE OF 18,496,345 NEW ORDINARY SHARES IN SCIB (“SHARES” OR “SCIB SHARES”) (“CAPITALISATION SHARES”) AT AN ISSUE PRICE OF RM0.6110 PER CAPITALISATION SHARE (“ISSUE PRICE”) (“PROPOSED CAPITALISATION”)

“**THAT** subject to the approvals of the relevant authorities and/or parties being obtained (if required), including but not limited to the approval by Bursa Malaysia Securities (“**Bursa Securities**”) for the listing of and quotation for 18,496,345 Capitalisation Shares at the Issue Price, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to allot and issue Capitalisation Shares at the Issue Price in the manner and subject to the terms and conditions contained in the capitalisation agreement dated 30 November 2023 entered into between SCIB, SCIB Properties and Goh Hardware in relation to the Proposed Capitalisation (“**Capitalisation Agreement**”);

THAT pursuant to Section 85 of the Companies Act, 2016 (“**Act**”) read together with Article 8 of the Constitution of SCIB, approval be and is hereby given for the waiver of the pre-emptive rights of the shareholders of SCIB to be offered new SCIB Shares ranking equally to the existing issued SCIB Shares arising from issuance of Capitalisation Shares to the Creditor pursuant to the Proposed Capitalisation;

THAT such Capitalisation Shares shall, upon allotment and issuance, rank equally in all respects with the then existing SCIB Shares, save and except that the Capitalisation 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 Capitalisation Shares;

AND THAT the Board be and is hereby authorised to approve, sign and execute all documents and to do all such acts, deeds and things as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Capitalisation and the Capitalisation Agreement in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities, the relevant and applicable laws or deemed necessary or desirable by the Board.”

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN ("LTIP") OF UP TO 15.0% OF THE COMPANY'S TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT OF TIME DURING THE DURATION OF THE LTIP FOR THE ELIGIBLE DIRECTORS OF SCIB AND EMPLOYEES OF SCIB AND ITS NON-DORMANT SUBSIDIARY(IES), WHO FULFIL THE ELIGIBILITY CRITERIA AS SET OUT IN THE BY-LAWS OF THE LTIP ("PROPOSED LTIP")

"**THAT**, subject to the approval of any relevant regulatory authority being obtained (where required), and to the extent permitted by law and the Constitution of the Company ("**Constitution**"), the Board be and is hereby authorised to:

- (a) establish, implement and administer the Proposed LTIP of up to 15.0% of the Company's total number of issue Shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP for the eligible directors and employees of SCIB and its non-dormant subsidiary(ies) ("**SCIB Group**" or the "**Group**"), who fulfil the eligibility criteria as set out in the by-laws of the LTIP ("**By-Laws**"), a draft of which is set out in Appendix II of the circular to the shareholders of the Company dated 16 February 2024 in relation to the Proposed LTIP ("**Circular**"), and to give full effect to the Proposed LTIP with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities. The Proposed LTIP comprises of a share grant plan ("**Proposed SGP**") and a share option plan ("**Proposed SOP**");
- (b) allot and issue from time to time such number of ordinary shares in SCIB Shares to the Eligible Persons upon vesting of the share grant awards pursuant to the Proposed SGP ("**SGP Awards**") and/or exercise of the share options ("**SOP Options**") pursuant to the Proposed SOP ("**SOP Awards**") under the Proposed LTIP, provided that the maximum number of SCIB Shares which may be made available under the Proposed LTIP shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the Proposed LTIP;
- (c) the SCIB Shares arising upon vesting of the SGP Awards and/or exercising of the SOP Options shall, upon allotment and issuance, rank equally in all respects with the existing SCIB Shares and shall:
 - (i) be subject to the provisions of the Constitution; and
 - (ii) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing SCIB Shares, the record date for which is on or after the date on which the SCIB Shares are credited into the central depository system accounts of the Eligible Persons and shall in all other respects rank equally with other existing SCIB Shares then in issue;
- (d) add, amend, modify and/or delete all or any part of the terms and conditions as set out in the By-Laws governing the Proposed LTIP from time to time provided that such additions, amendments, modifications and/or deletions are effected in accordance with the provisions of the By-Laws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed LTIP; and
- (e) do all things necessary and make the necessary applications to Bursa Securities for the listing of and quotation for the new Shares that may, hereafter from time to time, be issued pursuant to the Proposed LTIP;

THAT pursuant to Section 85 of the Act read together with Article 8 of the Constitution of SCIB, approval be and is hereby given for the waiver of the pre-emptive rights of the shareholders of SCIB to be offered new SCIB Shares ranking equally to the existing issued SCIB Shares arising from the exercise of the SOP Options and SGP Awards in the Company pursuant to the Proposed LTIP;

THAT the Board be and is hereby authorised to give effect to the Proposed LTIP with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed LTIP.

AND THAT the draft By-Laws, as set out in Appendix II of the Circular and which is in compliance with the Listing Requirements, be and is hereby approved and adopted."

ORDINARY RESOLUTIONS 3 TO 8

PROPOSED AWARDING OF SOP OPTIONS UNDER THE PROPOSED LTIP

"**THAT** subject to the passing of the Ordinary Resolution 2 above and the approvals of the relevant authorities (where required) being obtained for the Proposed LTIP, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed LTIP, to award such number of SOP Options to the following persons, subject to the provisions of the By-Laws of the Proposed LTIP:

Dato' Sri Zaini Bin Jass	Independent Chairman	Non-Executive	Ordinary Resolution 3
Dato' Tan Bok Koon	Independent Director	Non-Executive	Ordinary Resolution 4
Sr. Mohd Nazri Bin Mat Noor	Independent Director	Non-Executive	Ordinary Resolution 5
Dr. Dang Nguk Ling	Independent Director	Non-Executive	Ordinary Resolution 6
Kang Wei Luen	Independent Director	Non-Executive	Ordinary Resolution 7
Liaw Way Gian	Independent Director	Non-Executive	Ordinary Resolution 8

provided always that:

- (a) the abovementioned persons must not participate in the deliberation and/or discussion of their own respective allocation, as well as that of the persons connected with them, under the Proposed LTIP; and
- (b) not more than 10.0% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Proposed LTIP shall be allocated to them, if they, either singly or collectively through persons connected (as defined in the Listing Requirements) with them, holds 20.0% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed LTIP and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT the Board be further authorised to issue such number of Shares pursuant to the Proposed LTIP, from time to time, to the abovementioned persons."

ORDINARY RESOLUTIONS 9 TO 10

PROPOSED AWARDING OF SGP AWARD AND/OR SOP OPTIONS (COLLECTIVELY, "OFFER") UNDER THE PROPOSED LTIP

"**THAT** subject to the passing of the Ordinary Resolution 2 above and the approvals of the relevant authorities (where required) being obtained for the Proposed LTIP, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed LTIP, to award such number of Offer to the following persons, subject to the provisions of the By-Laws of the Proposed LTIP:

Ku Chong Hong	Group Managing Director/ Chief Executive Officer	Ordinary Resolution 9
Chiew Jong Wei	Executive Director	Ordinary Resolution 10

provided always that:

- (a) the abovementioned persons must not participate in the deliberation and/or discussion of their own respective allocation, as well as that of the persons connected with them, under the Proposed LTIP; and
- (b) not more than 10.0% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Proposed LTIP shall be allocated to them, if they, either singly or collectively through persons connected (as defined in the Listing Requirements) with them, holds 20.0% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed LTIP and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT the Board be further authorised to issue such number of Shares pursuant to the Proposed LTIP, from time to time, to the abovementioned persons."

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)

THIEN LEE MEE (LS0010621) (SSM PC No. 201908002254)

Company Secretaries

16 February 2024

FURTHER NOTICE IS HEREBY GIVEN THAT only members whose names appear on the Record of Depositors as at 18 March 2024 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. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which stipulates that the Chairman of the meeting shall be present at the main venue of the EGM and in accordance with Article 82 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to speak and vote at the general meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present nor admitted at the Broadcast Venue on the day of the EGM.
2. Members are to attend, posing questions to the Board via real time submission of typed texts and vote (collectively, "**participate**") remotely at the EGM via the RPV facilities provided by Digerati Technologies Sdn. Bhd. via its website at <https://scib-egm.digerati.com.my> ("**Digerati Portal**"). Please read the Administrative Guide for the EGM of the Company for details on the registration process and procedures for RPV to participate remotely at the EGM of the Company.
3. A member of the Company is entitled to attend, participate, posing questions to the Board via real time submission of typed texts and vote and is entitled to appoint not more than two (2) proxies to attend, participate, posing questions to the Board via real time submission of typed texts) and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
4. A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**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.
6. Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
7. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.
8. 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.
9. 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 18 March 2024. Only a depositor whose name appears on the Record of Depositor as at 18 March 2024 shall be entitled to participate the virtual meeting or appoint proxies to participate and/or vote on his/her behalf.
10. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than 48 hours before the holding of the meeting or any adjournment thereof either by hand, post or courier before the Form of Proxy lodgement cut-off time as mentioned above.

Alternatively, the Proxy Form can be electronically lodged via the Digerati Portal at <https://scib-egm.digerati.com.my>, also forty-eight (48) hours before the meeting.

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SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No.: 197501003884 (25583-W)
(Incorporated in Malaysia under the Companies Act 1965)

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 **SARAWAK CONSOLIDATED INDUSTRIES 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 Sarawak Consolidated Industries Berhad ("SCIB" or the "Company") to be held and conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities at <https://scib-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn. Bhd. in Malaysia on Wednesday, 27 March 2024 at 10.30 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 Capitalisation		
Ordinary Resolution 2	Proposed Long-Term Incentive Plan		
Ordinary Resolution 3	Proposed awarding of SOP Options to Dato' Sri Zaini Bin Jass		
Ordinary Resolution 4	Proposed awarding of SOP Options to Dato' Tan Bok Koon		
Ordinary Resolution 5	Proposed awarding of SOP Options to Sr. Mohd Nazri Bin Mat Noor		
Ordinary Resolution 6	Proposed awarding of SOP Options to Dr. Dang Nguk Ling		

Resolutions		FOR	AGAINST
Ordinary Resolution 7	Proposed awarding of SOP Options to Kang Wei Luen		
Ordinary Resolution 8	Proposed awarding of SOP Options to Liaw Way Gian		
Ordinary Resolution 9	Proposed awarding of Offer to Ku Chong Hong		
Ordinary Resolution 10	Proposed awarding of Offer to Chiew Jong Wei		

(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 _____, 2024.

Signature of shareholder or Common Seal

Notes:

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which stipulates that the Chairman of the meeting shall be present at the main venue of the EGM and in accordance with Article 82 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to speak and vote at the general meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present nor admitted at the Broadcast Venue on the day of the EGM.
2. Members are to attend, posing questions to the Board via real time submission of typed texts and vote (collectively, "**participate**") remotely at the EGM via the RPV facilities provided by Digerati Technologies Sdn. Bhd. via its website at <https://scib-egm.digerati.com.my> ("**Digerati Portal**"). Please read the Administrative Guide for the EGM of the Company for details on the registration process and procedures for RPV to participate remotely at the EGM of the Company.
3. A member of the Company is entitled to attend, participate, posing questions to the Board via real time submission of typed texts and vote and is entitled to appoint not more than two (2) proxies to attend, participate, posing questions to the Board via real time submission of typed texts) and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
4. A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**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.
6. Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
7. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.
8. 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.
9. 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 18 March 2024. Only a depositor whose name appears on the Record of Depositor as at 18 March 2024 shall be entitled to participate the virtual meeting or appoint proxies to participate and/or vote on his/her behalf.
10. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than 48 hours before the holding of the meeting or any adjournment thereof either by hand, post or courier before the Form of Proxy lodgement cut-off time as mentioned above.

Alternatively, the proxy form can be electronically lodged via the Digerati Portal at <https://scib-egm.digerati.com.my>, also forty-eight (48) hours before the meeting. Kindly refer to the Administrative Guide for the EGM on procedures for remote participation and voting.

11. 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.

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THE SHARE REGISTRAR
SARAWAK CONSOLIDATED INDUSTRIES BERHAD
Registration No. 19701003884 (25583-W)

Aldpro Corporate Services Sdn. Bhd.
B-21-1, Level 21, Tower B, Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur.

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