

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

[Registration No. 197501003884 (25583-W)]

(Incorporated in Malaysia)

MINUTES OF EXTRAORDINARY GENERAL MEETING (“EGM”) HELD ON A VIRTUAL BASIS AT THE BROADCAST VENUE AT B-21-1, LEVEL 21, TOWER B, NORTHPOINT MID VALLEY CITY, NO. 1, MEDAN SYED PUTRA UTARA, 59200 KUALA LUMPUR, WILAYAH PERSEKUTUAN 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.

Shareholders and Proxies As per Attendance List
participate via Remote
Participation and Voting
Facility

Directors Present : At the Broadcast Venue
Dato’ Sri Zaini Bin Jass - Independent Non-Executive Chairman
Mr Ku Chong Hong - Group Managing Director/Chief Executive Officer
Mr. Liaw Way Gian - Independent Non-Executive Director
Mr. Kang Wei Luen - Independent Non-Executive Director
Dr. Dang Nguk Ling - Independent Non-Executive Director
Mr Yak Boon Tiong - Independent Non-Executive Director

Participating via video conferencing

Mr Chiew Jong Wei - Executive Director
Sr. Mohd Nazri Bin Mat Noor - Independent Non-Executive Director
Dato’ Tan Bok Koon - Independent Non-Executive Director

In Attendance : Mr Tan Tong Lang, Nicholas (Company Secretary)

By Invitation : As per the Attendance List

1. CHAIRMAN

The Chairman, Dato’ Sri Zaini Bin Jass chaired the meeting and welcomed all present at the EGM of the Company.

2. NOTICE

The notice convening the meeting, having been sent to all members of the Company, with the permission of the meeting, is taken as read.

3. QUORUM

With the requisite quorum present, the Meeting was called to order at 10.30 a.m..

4. ANNOUNCEMENT ON POLL AND ADMINISTRATIVE MATTERS

The Chairman explained the process of voting for the resolutions. He informed that pursuant to Rule 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company must appoint at least one (1) scrutineer

to validate the votes cast at the general meeting. Such scrutineer must not be an officer of the Company or its related corporation and must be independent of the person undertaking the polling process.

The Chairman further informed the Company had appointed the Share Registrar, Aldpro Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the polling process and CSC Securities Services Sdn. Bhd. as the Independent Scrutineer to validate the poll results.

The Chairman also announced, with the permission of the meeting, that the polling process for all the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the EGM.

5. ORDINARY RESOLUTION 1

TO PROPOSE CAPITALISATION OF AN AGGREGATE AMOUNT OF RM11,301,266.80 DEBT OWING TO GOH HARDWARE & CONSTRUCTION SDN BHD (“GOH HARDWARE”) 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 (“CAPITALISATION SHARES”) AT AN ISSUE PRICE OF RM0.6110 PER CAPITALISATION SHARE (“ISSUE PRICE”) (“PROPOSED CAPITALISATION”)

The Chairman informed that the first agenda was to seek shareholders’ approval for the Ordinary Resolution 1 pertaining to the Proposed Capitalisation. The relevant information of the Proposed Capitalisation was set out in the Circular to Shareholders dated 16 February 2024.

“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.”

There being no question raised from the floor, the Chairman then proceeded to the next agenda.

6. **ORDINARY RESOLUTION 2**

TO PROPOSE 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”)

The Chairman informed that the next item in the agenda was to seek shareholders’ approval on the Ordinary Resolution 2 pertaining to the Proposed LTIP. The relevant information of the Proposed LTIP was set out in the Circular to Shareholders dated 16 February 2024.

“**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 issued 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."

There being no question raised from the floor, the Chairman then proceeded to the next agenda.

7. ORDINARY RESOLUTIONS 3 to 8

TO PROPOSE AWARDING OF SOP OPTIONS TO:

- i) DATO' SRI ZAINI BIN JASS, INDEPENDENT NON-EXECUTIVE CHAIRMAN**
 - ii) DATO' TAN BOK KOON, INDEPENDENT NON-EXECUTIVE DIRECTOR**
 - iii) SR. MOHD NAZRI BIN MAT NOOR, INDEPENDENT NON-EXECUTIVE DIRECTOR**
 - iv) DR. DANG NGUK LING, INDEPENDENT NON-EXECUTIVE DIRECTOR**
 - v) MR. KANG WEI LUEN, INDEPENDENT NON-EXECUTIVE DIRECTOR**
 - vi) MR. LIAW WAY GIAN, INDEPENDENT NON-EXECUTIVE DIRECTOR**
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The next item on the agenda was to seek shareholders' approval on the Ordinary Resolutions 3 to 8 pertaining to the Proposed Awarding of SOP Options under Proposed LTIP to Dato' Sri Zaini Bin Jass, Dato' Tan Bok Koon, Sr. Mohd Nazri Bin Mat Noor, Dr. Dang Nguk Ling, Mr. Kang Wei Luen and Mr Liaw Way Gian.

The Chairman informed that the Company had received several queries from the shareholders of the Company regarding the eligibility of the Independent Directors to participate in the Proposed LTIP, in view of majority of the Independent Directors are newly appointed to the Board of less than a year. The shareholders opined that the awarding of the Proposed SOP Options under the LTIP to the Independent Directors has to be justifiable and in line with the spirit of the Proposed LTIP which aims to recognise their contribution to the Company based on their past performance and contribution. He added that the Company took note of the shareholders' comments and would consider assessing the performance of the Independent Directors upon their full-year employment and shall seek shareholders' approval again at a later date.

Hence, Ordinary Resolutions 3, 4, 5, 6, 7 and 8 would be withdrawn for voting.

There being no question raised from the floor, the Chairman then proceeded to the next agenda.

8. ORDINARY RESOLUTIONS 9 to 10

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

- i) KU CHONG HONG - GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER**
- ii) CHIEW JONG WEI - EXECUTIVE DIRECTOR**

The Chairman informed that the next item on the agenda was to seek shareholders' approval on the Ordinary Resolutions 9 to 10 pertaining to the Proposed Awarding of SGP Award and/or SOP

Options under the Proposed LTIP. The relevant information of the Proposed Awarding of SGP Award and/or SOP Options under the Proposed LTIP was set out in the Circular to Shareholders dated 16 February 2024.

“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 is further authorised to issue such number of Shares pursuant to the Proposed LTIP, from time to time, to the abovementioned persons.”

There being no question raised from the floor, the Chairman then proceeded to the next agenda.

9. ANY OTHER BUSINESS

The Chairman informed that the Company had not received any notice to transact any other business for which due notice was required to be given pursuant to the Companies Act, 2016.

10. QUESTIONS AND ANSWER (“Q&A”) SESSION

The Chairman informed the Meeting that pre-submitted questions together with the Company’s response were presented to the shareholders.

Mr Ku was invited to address the questions submitted by the shareholders during the EGM. Questions that could not be addressed during the allocated time would either be posted on the Company’s website or response in writing to the shareholders at the earliest possible.

The summary of pre-submitted questions and questions received during the EGM from members/proxies received (Summary of Questions and Answers) and the answer from the Company is attached hereto as "**APPENDIX A**" and shall form part of these minutes.

There being no other questions received during the Meeting, the Chairman then declared that the Q&A session closed.

11. POLLING PROCESS

Having dealt with all the items on the agenda, save for the Ordinary Resolutions 3, 4, 5, 6, 7 and 8 which were withdrawn, the meeting proceeded to vote on the remaining Ordinary Resolutions by poll.

The Chairman declared the voting session closed and adjourned for 20 minutes for the counting and verification of the results of the votes.

12. ANNOUNCEMENT OF POLL RESULT

The meeting resumed at 11.22 a.m. for the declaration of the results of the poll. The Chairman informed that he had received the poll result from the Scrutineer.

The result of the poll was tabulated and displayed on the screen as follows:-

	Voted For		Voted Against		Results
	No. of Units	%	No. of Units	%	
Ordinary Resolution 1	109,597,682	99.9383	67,640	0.0617	Carried
Ordinary Resolution 2	109,472,676	99.8238	193,245	0.1762	Carried
Ordinary Resolution 3	-	-	-	-	Withdrawn
Ordinary Resolution 4	-	-	-	-	Withdrawn
Ordinary Resolution 5	-	-	-	-	Withdrawn
Ordinary Resolution 6	-	-	-	-	Withdrawn
Ordinary Resolution 7	-	-	-	-	Withdrawn
Ordinary Resolution 8	-	-	-	-	Withdrawn
Ordinary Resolution 9	108,123,270	99.8333	180,549	0.1667	Carried
Ordinary Resolution 10	109,479,269	99.8356	180,249	0.1644	Carried

The Chairman informed that based on the poll results, all ordinary resolutions were duly passed, except for Ordinary Resolutions 3, 4, 5, 6, 7 and 8 which were withdrawn.

13. CLOSURE

There being no other business, the meeting ended at 11.23 a.m. with a vote of thanks to the Chairman.

Confirmed as a correct record of the proceedings thereat

Original signed

DATO' SRI ZAINI BIN JASS
Chairman

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APPENDIX A

The questions made by the shareholders and proxies as well as the responses from the Company were as follows:

No.	Questions	Responses from Sarawak Consolidated Industries Berhad (“SCIB” or “the Company”)
Pre-submitted questions		
1.	Will there be a door gift for this meeting?	The Company will duly consider the request at the upcoming general meeting.
2.	<p>Why does the Company’s Share price keep going down after falling by its daily limit of three times?</p> <p>Directors, please do something to enhance the value of the Company’s shares in the interest of investors.</p>	<p>Market fluctuations and changes in share prices can be influenced by a variety of factors, many of which are beyond the Company’s direct control. We want to assure you that the Board of SCIB (“the Board”) remained committed to delivering long-term value to the shareholders, and the Board's focus continues to be on executing SCIB strategic initiatives and managing the operations efficiently.</p> <p>SCIB is focused on optimising our operations across all business segments to improve efficiency, reduce costs, and enhance profitability. SCIB will continuously strive to achieve strong financial performance through prudent financial management, revenue growth initiatives, and profitability enhancement measures.</p>
Questions from Participating Shareholders		
3.	<p>Which project contract has been terminated?</p> <p>How many projects are on hand now?</p> <p>Where is the project location?</p> <p>What is the progress of each project?</p> <p>Please provide refreshments via e-wallet to encourage shareholders to support the virtual meeting.</p>	<p>SCIB recently terminated the contract between its wholly owned subsidiary, SCIB Industrialised Building System Sdn Bhd, and Landasan Kapital (M) Sdn Bhd for the construction of Student Residence College at Universiti Malaysia Kelantan, Bachok Campus.</p> <p>This is because SCIB is taking necessary measures to protect the Company's interest by enforcing its rights under the contract. This is also to mitigate the risks that could potentially arise from the project site’s unreadiness, which could lead to delays in site possession and commencement of the Company’s scope of work.</p> <p>Considering the tight project timeline and the extension of time may not be granted by the project owner. The delays could have a significant impact on the project timeline, which poses a risk of loss for late delivery.</p> <p>Currently, the total outstanding orderbook of SCIB stands at RM370.06 million and the outstanding orderbook balance is at RM253.13 million. The Group will continue to focus on the pursuit of expansion, with a watchful eye on the evolving economic terrain and a firm grip on the rudder steering towards sustainable growth.</p>

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APPENDIX A

		<p>The current SCIB's projects included the school project in Betong, Kota Samarahan Sarawak, the prima project of SCIB located in Kubang Kerian, Kelantan, and the maintenance project of Malaysian Public Works Department ("JKR") in Terengganu.</p>
4.	<p><i>Why awarding of offer to Mr Ku and Mr Chiew?</i></p> <p>Please award some e-wallet for refreshment to participated shareholder.</p>	<p>Employees who meet the criteria outlined in the Company's By-Laws will be eligible to participate in both the Share Option Plan (SOP) and the Share Grant Plan (SGP) under the proposed Long Term Incentive Plan (LTIP) scheme. The reasons for such entitlement are to ensure the granting of SOP an SGP align the interest of the employees with the shareholders of the Company, and fostering a shared commitment to the Company's success and overall performance.</p> <p>The implementation of the LTIP serves multiple purposes despite the Group's recent financial challenges. Firstly, it aims to recognise and reward the contributions of eligible individuals whose services are deemed essential to the Group's operations and ongoing growth. Secondly, by allowing eligible people to participate in the Group's profitability and potential capital gains from SCIB Shares, the LTIP serves as a means to reward their dedication and commitment. Additionally, the LTIP is intended to enhance the competitiveness of the Group's remuneration scheme, attracting skilled and experienced individuals to contribute to its growth trajectory. Moreover, by motivating eligible people to achieve improved performance and fostering loyalty.</p>
5.	<p>What is meant by capitalisation and long-term incentive plan?</p>	<p>The proposed capitalization is to settle the capitalization amount. The Board is of the view that the settlement of the capitalization amount via the issuance of capitalization shares to the creditor is to 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 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>Based on the findings from the latest Audited Financial Statement ("AFS") and quarterly results, the Board has determined that settling the debts through the issuance of shares to the creditor is the most appropriate method. This approach enables the Company to address its debt</p>

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		<p>obligations without incurring additional debt or interest expenses.</p> <p>Furthermore, this strategy allows SCIB to strengthen the company's equity base, increase its net assets, and improve the company's gearing ratio. The company can also preserve the cash obtained from the increase in share capital for other purposes such as working capital requirements.</p> <p>The proposed LTIP aims to offer eligible individuals an opportunity to participate in the Company's equity. This initiative serves the positive objective of acknowledging the valuable contributions of eligible individuals whose services are deemed essential to the operations and continued growth of the Group.</p>
6.	<p>What is the cost of this EGM using ALDPRO DIGERATI platform, how many shareholders and proxies attend this meeting,</p>	<p>The cost of this event was approximately RM46,000,00.</p> <p>The number of proxies and shareholders can be referenced from the Extraordinary General Meeting (EGM) outcome, which will be disclosed to Bursa Malaysia following the conclusion of the meeting.</p>
7.	<p>When to distribute treasury shares?</p> <p>When to pay dividends?</p> <p>Don't propose the right issue, share price will drop some more?</p>	<p>As of the current financial quarter under review, the Company has not declared any dividends nor proposed any rights issue. However, we are committed to continually enhancing the Company's financial performance. The Board will consider dividend payments in the future if the financial results improve.</p> <p>We express gratitude for your continued support. SCIB remains focused on strategic growth by actively supporting the development plans of Sarawak through the supply of building materials, contributing to the advancement of both Sabah and Sarawak.</p> <p>Recently, we have accepted an offer of land from the Sarawak Land & Survey Department to set up our new factory to increase our existing production capacity to meet the expected increase in the future market demand. In view hereof, the Board intends to allocate funds towards this expansion plan, thus we do not intend to issue dividends. We are confident that this strategic move will contribute to our future earnings.</p> <p>The Malaysian government has allocated a total of RM6.5 billion and RM5.6 billion for the development of Sabah and Sarawak, respectively, in the year 2023.</p>