

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused the contents of this Circular in respect of the Proposed Renewal Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature prior to its issuance as it is an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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SARAWAK CABLE BERHAD

Registration No. 199801000274 (456400-V)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to:

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

IMPORTANT DATES AND TIMES:

The ordinary resolution in respect of the Proposed Shareholders’ Mandate will be tabled as Special Business at the 25th Annual General Meeting (“25th AGM”) of Sarawak Cable Berhad to be conducted at Gunung Buda, Level 4 (Tower A), Hock Lee Hotel & Residences, Hock Lee Centre, Jalan Datuk Abang Abdul Rahim, 93450 Kuching, Sarawak on Tuesday, 21 November 2023 at 10.00 a.m. or at any adjournment therefore.

The notice of the 25th AGM together with Form of Proxy can be downloaded at <https://www.sarawakcable.com/annual-report-2023> or Bursa Securities’s website at https://www.bursamalaysia.com/market_information/announcements/company_announcement. For further information, please refer to the Notice of the 25th AGM.

A member is entitled to attend and vote at the 25th AGM and is also entitled to appoint a proxy or proxies to attend and vote on your behalf. The Form of Proxy must be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, the proxy form can be emailed to Boardroom at bsr.helpdesk@boardroomlimited.com not less than 48 hours before the time appointed for the 25th AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 25th AGM if you are subsequently wish to do so.

Last date and time for lodgement of the Form of Proxy: Sunday, 19 November 2023 at 10.00 a.m.
Date and time of the 25th AGM: Tuesday, 21 November 2023 at 10.00 a.m.

:

This Circular is dated 9 October 2023

For the purpose of this Circular, except where the context otherwise requires, the following definitions will apply:

- “AISB”** - Alpha Industries Sdn Bhd
- “AGM”** - Annual General Meeting
- “APLSB”** - Aerial Power Lines Sdn Bhd
- “Board”** - The Board of Directors of SCB
- “Bursa Securities”** - Bursa Malaysia Securities Berhad
- “Companies Act”** - The Malaysian Companies Act 2016, as amended from time to time and any enactment thereof
- “Directors”** - The directors for the time being of SCB, and shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a director or chief executive of SCB, its subsidiary or holding company
- “HNG Capital Group”** - HNG Capital Sdn Bhd and its subsidiaries
- “LCIB”** - Leader Cable Industry Berhad
- “LSSB”** - Leader Solar Sdn Bhd
- “Listing Requirements”** - The Main Market Listing Requirements of Bursa Securities and practice notes issued thereunder including any amendments thereto that may be made from time to time
- “LPD”** - 19 September 2023, being the latest practicable date prior to the printing of this Circular
- “Major Shareholder”** - A person who has an interest or interests in one (1) or more voting shares in SCB and the number or the aggregate number of those shares, is:
- (a) 10% or more of the total number of voting shares in SCB; or
 - (b) 5% or more of the total number of voting shares in SCB where such person is the largest shareholder of SCB.
- Includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of SCB or any other corporation which is its subsidiary or holding company
- For the purpose of this definition, “interest in shares” shall have the same meaning given in Section 8 of the Companies Act.
- “Person Connected”** - This shall have the same meaning as in Paragraph 1.01 of the Listing Requirements
- “Proposed Shareholders’ Mandate”** - Proposed renewal of shareholders’ mandate for the existing and new RRPT
- “PT. IME”** - PT. Inpola Mitra Elektrindo

“Related Party”	- A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, “director”, “major shareholder” and their person connected shall have the same meanings as defined herein
“Related Party Transaction”	- A transaction entered into by SCB or its subsidiaries which involves the interest, direct or indirect, of a related party
“RM”	- Ringgit Malaysia
“RRPTs”	- A related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of SCB Group and which has been made or will be made by SCB Group at least once in three (3) years in the ordinary course of business of SCB Group
“SCB” or “the Company”	- Sarawak Cable Berhad
“SCB Group or Group”	- SCB and its subsidiaries
“SCMISB”	- SCMI Sdn Bhd
“SEB”	- Sarawak Energy Berhad
“SEB Group”	- Sarawak Energy Berhad and its subsidiaries
“Shares”	- Ordinary shares in the capital of SCB
“Shareholder Mandate”	- Proposed shareholders’ mandate pursuant to Paragraph 10.09 of the Listing Requirements for the recurrent related party transactions to be entered into from the date of the forthcoming 25 th AGM of SCB until the date of the next AGM of SCB
“SLSSB”	- Silver Lining Systems Sdn Bhd
“SPSSB”	- Sarawak Power Solution Sdn Bhd
“SSB”	- Syarikat SESCO Berhad
“STSB”	- Sarwaja Timur Sdn Bhd
“TISB”	- Trenergy Infrastructure Sdn Bhd
“UCMB”	- Universal Cable (M) Berhad
“UCSSB”	- Universal Cable (Sarawak) Sdn Bhd

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders. Words denoting persons include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act and used in this Circular shall have the meaning assigned to it under the Companies Act.

Any reference to a time of day shall be a reference to Malaysian time.

TABLE OF CONTENTS

	Page
PROPOSED SHAREHOLDERS' MANDATE	
1. INTRODUCTION.....	1
2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS.....	2
3. FEATURES OF THE PROPOSED SHAREHOLDERS MANDATE.....	2
3.1 PRINCIPAL ACTIVITIES OF SCB GROUP.....	2-3
3.2 RRPT.....	3-5
3.3 AMOUNT DUE AND OWING BY RELATED PARTIES PURSUANT TO RRPT.....	6
3.4 THE RELATED PARTIES.....	6
3.5 REVIEW METHODS OR PROCEDURES FOR RRPT.....	6-7
3.6 THRESHOLD OF AUTHORITY.....	8
3.7 STATEMENT BY AUDIT COMMITTEE.....	8
4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE.....	8
5. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDERS' MANDATE.....	8-9
6. CONDITIONS OF THE PROPOSED SHAREHOLDERS' MANDATE.....	9
7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS.....	9-10
8. RECOMMENDATION BY DIRECTORS.....	10
9. ANNUAL GENERAL MEETING.....	11
10. ACTION TO BE TAKEN BY SHAREHOLDERS.....	11
11. FURTHER INFORMATION.....	11-13

APPENDICES**APPENDIX A – FURTHER INFORMATION**



SARAWAK CABLE BERHAD

Registration No. 199801000274 (456400-V)
(Incorporated in Malaysia)

Registered Office

Lot 767, Block 8
Muara Tebas Land District
Demak Laut Industrial Estate Phase III
Jalan Bako
93050 Kuching, Sarawak

9 October 2023

Board of Directors:

Dato Sri Mahmud Abu Bekir Taib	- <i>Non-Independent Non-Executive Chairman</i>
Dato Sri Fong Joo Chung	- <i>Non-Independent Non-Executive Deputy Chairman</i>
Yek Siew Liong	- <i>Non-Independent Non-Executive Director</i>
Datuk Kevin How Kow	- <i>Non-Independent Non-Executive Director</i>
Erman bin Radin	- <i>Non-Independent Non-Executive Director</i>
Redzuan bin Rauf	- <i>Independent Non-Executive Director</i>
Laksamana Tan Sri Dato' Setia Mohd Anwar bin Haji Mohd Nor	- <i>Independent Non-Executive Director</i>
Alwizah Al-Yafii binti Ahmad Kamal	- <i>Independent Non-Executive Director</i>
Ninam Shah bin Dato' Kadar Shah	- <i>Independent Non-Executive Director</i>

To: The Shareholders of Sarawak Cable Berhad

Dear Sir/Madam,

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

1. INTRODUCTION

At the Company's 24th AGM held on 23 December 2022 the Board obtained Shareholder Mandate for SCB Group to enter into RRPT. The existing Shareholder Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 25th AGM, which has been scheduled for 21 November 2023, unless by an ordinary resolution passed at the forthcoming 25th AGM, the mandate is renewed.

Subsequently, on 5 September 2023, the Company announced through Bursa Securities that the Board proposes to seek Shareholder Mandate from the shareholders for the existing and new RRPT.

The purpose of this Circular is to provide shareholders with details, effects and rationale pertaining to the Proposed Shareholders' Mandate and to seek shareholders' approval for the resolution, which is to be tabled as an ordinary resolution at the forthcoming 25th AGM scheduled to be held on 21 November 2023.

Shareholders of SCB are advised to read and consider carefully the contents of this Circular before voting on the resolution pertaining to this proposal at the forthcoming 25th AGM scheduled to be held on 21 November 2023.

2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS

Paragraph 10.09(2) of the Listing Requirements states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations, the Company may seek a mandate from its shareholders, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the Shareholder Mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (c) the Company's circular to shareholders for the Shareholder Mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain Shareholder Mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (e) the Company must immediately announce to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the circular by ten percent (10%) or more and the Company must include the information as may be prescribed by Bursa Securities in its announcement.

3. FEATURES OF THE PROPOSED SHAREHOLDERS' MANDATE

3.1 Principal activities of SCB Group

The principal activities of SCB are that of investment holding, contractors and infrastructure development, provision of management and consultancy services whilst the principal activities of its subsidiaries are described on page 3 of this Circular.

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The subsidiaries of SCB as at LPD, with the principal activities are as follows:

Name of Subsidiaries	Effective equity interest held (%)	Principal Activities
<u>Direct subsidiaries of SCB</u>		
APLSB	100	Power lines construction, inspection and maintenance services.
LCIB	100	Manufacture and sale of telecommunication and power cables.
PT.IME	78	Design, financing construction of independent and mini hydro power plant.
SCMISB	55	Undertaking engineering and construction projects.
SPSSB	100	Dormant
STSB	100	Manufacture, fabrication, galvanising of steel structures.
TISB	100	General contractors and infrastructure.
UCMB	100	Manufacture and sale of telecommunication and power cables.
UCSSB	100	Manufacture and sale of power cables and wires.

3.2 RRPT

In accordance to the Listing Requirements and the directive of Bursa Securities, SCB needs to seek Shareholder Mandate on RRPTs.

These RRPTs are all incurred in the Group's normal ordinary course of business and the names of the companies, details and value of the RRPT, the names of the Directors, Major Shareholders and Persons Connected with them who are interested in these RRPTs are outlined on pages 4 to 7 of this Circular.

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Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of SCB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 22 November 2023 to the date of next AGM (RM'000)	Actual value transacted from 23 December 2022 up to LPD (RM'000) (A)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 1 December 2022 (RM'000) (B)	Reason for deviation between (A) and (B) by ten percent (10%) or more
			Director	Shareholder				
HNG Capital Group								
AISB	<ul style="list-style-type: none"> • Purchase of copper rod and wires by the Group • Sales of scrap by the Group 	<i>Interested Persons Connected:</i> <ul style="list-style-type: none"> • Tan Sri Dato' Seri H'ng Bok San @ H'ng Ah Ba • Dato' H'ng Chun Hsiang • Datin H'ng Hsieh Ling 	x	√	550,000	228,000	550,000	} Not Applicable
			x	√	15,000	6,000	15,000	
			x	√				
LSSB	<ul style="list-style-type: none"> • Purchase of electricity from energy generated via rooftop solar photovoltaic system 	<i>Interested Persons Connected:</i> <ul style="list-style-type: none"> • Tan Sri Dato' Seri H'ng Bok San @ H'ng Ah Ba • Dato' H'ng Chun Hsiang • Datin H'ng Hsieh Ling 	x	√	25,000	1,000	2,000	Not Applicable
SLSSB	<ul style="list-style-type: none"> • Project management for implementation of new accounting software 	<i>Interested Director:</i> <ul style="list-style-type: none"> • Dato Sri Mahmud Abu Bekir Taib 	√	√	10,000	1,000	10,000	Not Applicable

Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of SCB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 22 November 2023 to the date of next AGM (RM'000)	Actual value transacted from 23 December 2022 up to LPD (RM'000) (A)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 1 December 2022 (RM'000) (B)	Reason for deviation between (A) and (B) by ten percent (10%) or more
			Director	Shareholder				
SEB Group								
SEB	<ul style="list-style-type: none"> Construction of transmission lines by the Group 	<i>Interested Major Shareholders:</i> <ul style="list-style-type: none"> SEB State Financial Secretary Sarawak Delegatam Sdn Bhd <i>Interested Director:</i> <ul style="list-style-type: none"> Dato Sri Fong Joo Chung 	<ul style="list-style-type: none"> x x x <ul style="list-style-type: none"> √ 	<ul style="list-style-type: none"> √ √ √ <ul style="list-style-type: none"> x 	100,000	35,000	300,000	Not Applicable
SSB	<ul style="list-style-type: none"> Sale of cables and conductors by the Group Fabrication of steel structures and sales of steel products by the Group 	<i>Interested Major Shareholders:</i> <ul style="list-style-type: none"> SEB State Financial Secretary Sarawak Delegatam Sdn Bhd <i>Interested Director:</i> <ul style="list-style-type: none"> Dato Sri Fong Joo Chung 	<ul style="list-style-type: none"> x x x <ul style="list-style-type: none"> √ 	<ul style="list-style-type: none"> √ √ √ <ul style="list-style-type: none"> x 	300,000	4,000	250,000	} Not Applicable
					20,000	-	20,000	

3.3. Amount due and owing by Related Parties pursuant to RRPT

There is no outstanding amount due under the RRPT which has exceeded the credit term as at the end of the financial year ended 31 May 2023.

3.4 The Related Parties

Name	Relationship in the Group
1. Dato Sri Mahmud Abu Bekir Taib	<ul style="list-style-type: none">▪ Non-Independent Non-Executive Chairman of SCB
2. HNG Capital Group <ul style="list-style-type: none">- AISB- LSSB	Deemed Person Connected with Tan Sri Dato' Seri H'ng Bok San @ H'ng Ah Ba Deemed Person Connected with Tan Sri Dato' Seri H'ng Bok San @ H'ng Ah Ba
3. Tan Sri Dato' Seri H'ng Bok San @ H'ng Ah Ba	Deemed interested by virtue of his interest HNG Capital Group pursuant to Section of the Companies Act
4. Dato' H'ng Chun Hsiang	Deemed interested by virtue of his interest HNG Capital Group pursuant to Section of the Companies Act
5. Datin H'ng Hsieh Ling	Deemed interested by virtue of her interest HNG Capital Group pursuant to Section of the Companies Act
6. SEB <ul style="list-style-type: none">- SSB- State Financial Secretary Sarawak- Delegation Sdn Bhd	Major Shareholder of SCB Deemed Person Connected with SEB (being a subsidiary of SEB) Deemed interested by virtue of their interests in SEB pursuant to Section 8 of the Companies Act Deemed interested by virtue of their interests in SEB pursuant to Section 8 of the Companies Act
7. Dato Sri Fong Joo Chung	<ul style="list-style-type: none">▪ Non-Independent Non-Executive Director of SEB▪ Non-Independent Non-Executive Deputy Chairman of SCB▪ Chairman of UCSSB (being a wholly owned subsidiary of SCB)▪ Chairman of STSB (being a wholly owned subsidiary of SCB)

3.5 Review methods or procedures for RRPT

The Board has in place an internal control system, which includes review methods or procedures to ensure that the transactions with Related Parties are undertaken on normal commercial terms not prejudicial to the interests of the minority shareholders. These procedures are in place to ensure that each major Related Party Transaction is approved and reviewed by the Directors or authorised personnel, based on the prices and terms which are not more favourable to the Related Parties than those generally available to the public, on arm's length basis and are not detrimental to the interest of the minority shareholders, giving due consideration to all circumstances of each transaction.

3.5 Review methods or procedures for RRPT (cont'd)

These procedures include the followings:

- (a) Market surveys will be conducted to gather information to compare the prices, fees or charges quoted by third parties and Related Parties for the purpose of determining the competitive market price, fee or charges of materials, goods and services. It is SCB Group's policy to purchase materials, goods or services from Related Parties when the prices, fees or charges are competitive with prices, fees or charges obtained from third parties. Other factors such as availability of raw material or resources, reliability of supply, delivery, services and quality of material or goods will also be taken into consideration for evaluation purposes.
- (b) On a periodic basis, the methods and procedures pertaining to Related Parties Transactions will be reviewed by Senior Management of SCB Group and the Audit Committee to ensure that the prices and terms of the transactions are not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the interest of the minority shareholders.
- (c) The annual internal audit plan shall incorporate a review of all RRPT to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to. Should any discrepancies arise relating to the methods and procedures, proper steps would be taken to rectify them accordingly.
- (d) The Audit Committee shall, amongst others, review these internal audit plan and reports on RRPT and any conflict of interests situation that may arise within the SCB Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
- (e) At least two (2) other contemporaneous transactions and/or quotations with unrelated third parties for similar products/services and/or quantities will be used as comparison to determine whether the prices and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined based on the normal margin for similar or comparable products to ensure that the RRPTs are not detrimental to the SCB Group.

- (f) The SCB Group shall maintain a register to record all RRPT entered into pursuant to the Proposed Shareholder Mandate to ensure accurate disclosure thereof. The aggregate value of the RRPT shall be appropriately disclosed in the annual report of SCB.
- (g) A list of Related Parties mandated pursuant to the Shareholder Mandate will be circulated within the Group with notification that all RRPTs are required to be undertaken on arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.
- (h) The cost plus method will be used where appropriate in the determination of fair price or contract rates. This method determines the arm's length price or rate by adding an appropriate handling charge.
- (i) The terms and conditions on purchases and sales are determined by market forces, under similar commercial terms for transaction with third parties which depend on the demand and supply of the products and subject to the availability of the products in the market.
- (j) Market prices will be used to determine the transaction price for sales to the Related Parties.
- (k) All RRPTs are reviewed by the Audit Committee of the Company periodically.

3.6 Threshold of Authority

There are no specific thresholds for approval of RRPTs within the SCB Group. However, all RRPTs are subject to the approval of the Group Chief Executive Officer, Group Chief Financial Officer, General Manager, Senior Management and the Audit Committee and/or the Board from time to time, subject to the provisions in the Listing Requirements and/or the Companies Act, where necessary. Where any Director has an interest (direct or indirect) in any RRPT, such Director will abstain from deliberation and decision making.

3.7 Statement by Audit Committee

The Audit Committee of SCB comprises of the following members:

Members	Designation
Encik Redzuan bin Rauf	Chairman (Independent Non-Executive Director)
Datuk Kevin How Kow	Member (Non-Independent Non-Executive Director)
Encik Ninam Shah bin Dato' Kadar Shah	Member (Independent Non-Executive Director)

The Audit Committee of SCB has seen and reviewed the methods and/or procedures stated in Section 3.5 on pages 6 to 7 of this Circular and is of the view that the existing procedures, processes and guidelines are adequate and sufficient to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee also viewed that the method and/or procedures as stated in Section 3.5 on pages 6 to 7 of this Circular are sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Audit Committee will review these processes, procedures and guidelines annually or as and when needs arise to ensure all RRPTs will be carried out on normal commercial terms which are not prejudicial to the interests of shareholders and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the net assets per share, earnings per share, gearing of the Group, and share capital and substantial shareholders' shareholdings of SCB.

5. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDERS' MANDATE

The rationale for SCB and its subsidiaries to enter into RRPT is to take advantage of efficiencies in business dealings, in particular competitive prices, shorter delivery time and reliability in source of materials, goods and services. The Related Parties have long-standing business relationships with SCB Group and the quality of the materials, goods, products and services have proven to meet the stringent requirements imposed by SCB Group.

The RRPT entered and to be entered into by SCB and the Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case by case basis before entering into such RRPT described herein to allow SCB Group to enter into such recurrent transactions made on an arm's length basis and on normal commercial terms not prejudicial to the interest of the shareholders and not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

5. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDERS' MANDATE (cont'd)

The RRPTs are intended to meet the business needs of SCB Group at the best possible terms. By transacting with the Related Parties, SCB Group would have an advantage of familiarity with the background, financial well-being and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, SCB Group and the Related Parties have a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPTs.

By obtaining the Shareholder Mandate, and the renewal of the same on an annual basis, the need to convene separate general meetings from time to time to seek shareholders' approval for the entry by SCB Group into such RRPT will be eliminated. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such general meetings without compromising the corporate objectives of SCB Group or adversely affecting the business opportunities available to SCB Group.

These would ultimately benefit the Group and the shareholders by enhancing profitability and returns on shareholders' funds.

6. CONDITIONS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate are conditional upon approval being obtained from the shareholders of SCB at the forthcoming 25th AGM. The Proposed Shareholders' Mandate is subject to annual renewal and will continue to be in force until:

- (i) the conclusion of the next AGM of SCB at which the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act]; or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

A disclosure of a breakdown of the aggregate value of the RRPT conducted pursuant to the Proposed Shareholders' Mandate during the financial year shall be made in the annual report where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1)(a) of the Listing Requirements, amongst others, based on the following information:

- the type of the RRPT made; and
- the names of the related parties involved in each type of the RRPT made and their relationship with SCB.

In addition, SCB is required to immediately announce to Bursa Securities when the actual value of a RRPT entered into by the Group exceeds the estimated value of the RRPT as set out in Section 3.2 of this Circular by ten percent (10%) or more.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The interested Directors, namely Dato Sri Mahmud Abu Bekir Taib and Dato Sri Fong Joo Chung have abstained, and will continue to abstain from all Board deliberations and voting in the Board resolutions pertaining to the Proposed Shareholders' Mandate at the 25th AGM.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS (cont'd)

These interested Directors, as named in the immediate paragraph above, and the interested Major Shareholders, namely Sarawak Energy Berhad, State Financial Secretary Sarawak and Delegation Sdn Bhd will abstain from voting on the resolution, in respect of their direct and indirect shareholdings, deliberating and approving the Proposed Shareholder Mandate at the 25th AGM. They have undertaken to ensure that their Persons Connected will also abstain from voting, in respect of their direct and indirect shareholdings, on the resolution deliberating and approving the Proposed Shareholders' Mandate at the 25th AGM.

Based on the Register of Directors' Shareholding and Register of Substantial Shareholders as at LPD, the direct and indirect interests of the interested Directors, interested Major Shareholders and Persons Connected with them in the Company are outlined below:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Interested Directors of SCB</u>				
Dato Sri Mahmud Abu Bekir Taib	58,264,896	14.60	26,082,000 ^(a)	6.54
Dato Sri Fong Joo Chung	400,200	0.10	-	-
<u>Interested Major Shareholders of SCB</u>				
SEB	52,397,996	13.13	-	-
State Financial Secretary Sarawak	-	-	52,397,996 ^(b)	13.13
Delegation Sdn Bhd	-	-	52,397,996 ^(b)	13.13

Note:

(a) Deemed interested by virtue of his interest in Central Paragon Sdn Bhd pursuant to Section 8(4) of the Companies Act

(b) Deemed interested by virtue of its interests in SEB pursuant to Section 8(4) of the Companies Act

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected with them have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

8. RECOMMENDATION BY DIRECTORS

The Board, save for Dato Sri Mahmud Abu Bekir Taib and Dato Sri Fong Joo Chung, being interested Directors, having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interests of the Company and recommend that shareholders vote in favour of this ordinary resolution at the 25th AGM.

9. ANNUAL GENERAL MEETING

The 25th AGM will be at Gunung Buda, Level 4 (Tower A), Hock Lee Hotel & Residences, Hock Lee Centre, Jalan Datuk Abang Abdul Rahim, 93450 Kuching, Sarawak on Tuesday, 21 November 2023 at 10.00 a.m. or at any adjournment thereof.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

If you are unable to attend, speak and vote in person at the 25th AGM and wish to appoint a proxy(ies) to attend and vote on your behalf, you should complete, sign and return the Form of Proxy in accordance with the instructions contained therein, so as to reach the office of the Company's Share Registrar, and may either be in the following manner:

- (i) Either by hand or post to Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia; or
- (ii) emailed to Boardroom at bsr.helpdesk@boardroomlimited.com.

not less than forty eight (48) hours before the time set for holding the 25th AGM i.e. latest by Sunday, 19 November 2023 at 10.00 a.m. or any adjournments thereof; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof.

The lodging of the Form of Proxy does not preclude you from attending and voting in person at the 24th AGM should you subsequently wish to do so.

11. FURTHER INFORMATION

Shareholders are requested to refer to the attached **Appendix A** for further information.

Yours faithfully
For and on behalf of the Board

ENCIK REDZUAN BIN RAUF
Independent Non-Executive Director

APPENDIX A – ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

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

2 MATERIAL CONTRACTS

There are no material contracts not being contracts entered into in the ordinary course of business which have been entered into by SCB Group during the two (2) years immediately preceding the date of this Circular, saved as disclose below:

- (a) On 29 July 2022, the Company entered into a Conditional Sales and Purchase Agreement (“SPA”) with KAB Energy Holdings Sdn Bhd (“KEH”), a wholly owned subsidiary of Kejuruteraan Asastera Berhad (“KAB”) for the disposal of 300,000 ordinary shares in PT IME, representing 100% equity interest to KEH (“the Proposal Disposal”).

The Proposal Disposal will be satisfied via two (2) components, the first being a cash consideration of RM10,000 (“Cash Component”) and second, the settlement of debts, liabilities and shareholders’ advances of PT IME capped at RM74.99 million (“Debt Component”).

On 18 October 2022, the Company announced that it had informed KEH that it has obtained a Restraining Order for a period of three (3) months and during this period, the Company will not be able to proceed with the Proposed Disposal and that KEH will be notified once the Restraining Order expires.

On 31 July 2023, the Company announced that the Proposed Disposal has become unconditional and as such the payment for the remaining Completion Amount less any retention amount by KEH shall be no later than 31 October 2023, being three (3) months from 31 July 2023 (“the Unconditional Date”).

On 29 August 2023, the Company announced that the transfer of shares of PT IME from the Company to KEH has been completed on 28 August 2023.

In the event that the abovementioned payment is not received by the due date, the Company will be entitled to enforce its right under the Corporate Guarantee dated 31 July 2023 issued by KEH or to terminate the SPA and KEH shall take all necessary steps to re-transfer the shares of PT IME back to the Company at KEH’s sole cost and expense.

- (b) On 22 February 2021, the Company announced that the Company proposed to undertake the Proposed Private Placement of up to 30% of the total issued shares of the Company (“the Proposed Private Placement”).

In conjunction with the Proposed Private Placement, the Company had on 22 February 2021 entered into the Subscription Agreement with Petra Transit Systems Sdn Bhd to subscribe for 63,410,000 Placement Shares (“Subscription Shares”) at an issue price of RM0.4346 per Subscription Share to be satisfied in cash.

The Balance Placement Shares will be placed out to Third Party Investors to be identified, at an issue price to be determined and fixed by the Board at a later date after receipt of all relevant approvals for the Proposed Private Placement.

2 MATERIAL CONTRACTS (cont'd)

At the extraordinary general meeting of the Company held on 23 April 2021, the shareholders had approved the Proposed Private Placement.

On 11 May 2021, the Company raised RM7.65 million with the issuance of 18,525,000 Shares.

The Company has on 4 June 2021 announced that the Company shall seek fresh approval from its shareholders in respect of the placement of 63,410,000 subscription shares to Petra Transit Systems Sdn. Bhd. ("the Subscriber").

Subsequently on 10 June 2021, the Company dispatched the circular to shareholders to seek fresh approval from its shareholders in respect of the placement of 63,410,000 subscription shares to the Subscriber pursuant to paragraph 8.22 of the Main Market Listing Requirements in respect of the material variation to the terms of the subscription agreement.

On 1 July 2021, the Company raised RM22.57 million with the issuance of 63,410,000 Shares to the Subscriber.

On 17 March 2022, Bursa Securities has granted the Company further extension of time until 22 September 2022 to complete this Proposal.

On 23 September 2022, the Company announced that the extension of time of up to 22 September 2022 granted by Bursa Securities to implement the Proposal has lapsed and accordingly, the Proposal is deemed completed.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

SCB Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or the business of SCB Group, and the Directors of SCB have no knowledge of any proceedings pending or threatened, against SCB Group, which might materially and adversely affect the business or financial position of SCB Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of SCB at Lot 767, Block 8, Muara Tebas Land District, Demak Laut Industrial Estate Phase III, Jalan Bako, 93050 Kuching, Sarawak following the publication of this Circular from Mondays to Fridays (except public holidays) during business hours up to and including the date of the forthcoming 25th AGM:

- (a) The Constitution of SCB;
- (b) The audited financial statements of the SCB Group for the financial financial period ended 31 May 2022 and financial year ended 31 May 2023;
- (c) SPA as referred to in Section 2(a) above; and
- (d) Subscription Agreement as referred to in Section 2(b) above.