

SINARAN ADVANCE GROUP BERHAD
[Registration No. 202001007513 (1363833-T)]
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY CONDUCTED ON A FULLY VIRTUAL BASIS AND ENTIRELY VIA REMOTE PARTICIPATION AND VOTING VIA ONLINE MEETING PLATFORM AT [HTTPS://REBRAND.LY/SINARANEGM](https://rebrand.ly/sinaranegm) PROVIDED BY MLABS RESEARCH SDN. BHD. IN MALAYSIA ON FRIDAY, 24 SEPTEMBER 2021 AT 12:15 P.M.

CHAIRMAN OF THE EXTRAORDINARY GENERAL MEETING : Mr. Koo Kien Yoon, Non-Independent Non-Executive Director

DIRECTORS PRESENT REMOTELY VIA REMOTE PARTICIPATION AND VOTING (RPV) FACILITY : Mr. Ding JianPing, Executive Chairman and Chief Executive Officer
Ms. Xiao LuXi, Independent Non-Executive Director
Encik Mohtar Bin Abdullah, Independent Non-Executive Director
Mr. Chuah Hoon Hong, Independent Non-Executive Director
Encik Ahmad Nasirruddin Bin Harun, Independent Non-Executive Director

IN ATTENDANCE (VIA RPV PLATFORM) : Mr. Cheng Chia Ping, the Company Secretary
Ms. Tan Siok Ying, Assisting the Company Secretary
Ms. Joleen Yeap, Assisting the Company Secretary

BY INVITATION (VIA RPV FACILITY) : Mr. Woo Yew Tim, Special Assistant to Executive Chairman

PRINCIPAL ADVISER OF THE COMPANY (VIA RPV FACILITY) : Mr. Danny Wong, M&A Securities Sdn. Bhd.
Mr. Choo Qi Jun, M&A Securities Sdn. Bhd.

MEMBERS, PROXIES AND CORPORATE REPRESENTATIVES PRESENT : As per Attendance List

CHAIRMAN

Mr. Koo Kien Yoon, the Non-Independent Non-Executive Director of the Company, was appointed as the Chairman of the Extraordinary General Meeting of the Company ("**EGM**") ("**Chairman**") pursuant to Clause 19.4 of the Company's Constitution. He welcomed all to the EGM and informed that the EGM was conducted via live streaming webcast and online remote voting without physical attendance by the shareholders, proxies and corporate representatives.

The Chairman informed that in view of the Government of Malaysia had enforced the National Recovery Plan ("**NRP**") amid Covid-19 pandemic, the Board of Directors ("**Board**") noted that pursuant to the Guidance and FAQs on Conduct of General Meetings for Listed Issuers ("**SC Guidance Note**") issued by the Securities Commission Malaysia, listed issuers were encouraged to conduct fully virtual general meetings during Phase 2 of the NRP.

The Chairman informed that the Board in compliance to the revised SC Guidance Note, has decided that this EGM be conducted on a fully virtual basis through live streaming and remote participation and voting facility provided by Mlabs Research Sdn. Bhd.

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The Chairman then introduced the Directors, the Company Secretary, Management and Principal Adviser who were in attendance remotely.

QUORUM

The requisite quorum being present pursuant to Clause 24.6 of the Company's Constitution, the Chairman declared the Meeting duly convened.

The Chairman informed the Meeting that the Company was using 17 September 2021 as the determinant date of the General Meeting Record of Depositors.

NOTICE

The Notice convening the Meeting dated 9 September 2021 having been circulated within the prescribed period was, with the permission of the Meeting, taken as read.

PRESENTATION OF LETTER FROM THE MINORITY SHAREHOLDERS WATCH GROUP

The Chairman informed the Meeting the Company had on 17 September 2021 received a letter from the Minority Shareholders Watch Group ("**MSWG**") raised an issue on proposed private placement of the Company.

The Meeting noted the questions raised by MSWG and the Company's corresponding reply to each question as presented. A copy of the Company's reply was annexed to this minutes as Annexure "A".

PROXIES, PROCEEDINGS AND POLL VOTING

The Chairman briefed the Meeting that Bursa Malaysia Securities Berhad had mandated poll voting for all resolutions set out in the notice of general meetings.

The Chairman then highlighted to the shareholders and proxies present virtually at the Meeting of their right to ask questions in relation to the Agenda items for the Meeting and vote on the resolution to be tabled at the EGM. The Chairman further informed that in his capacity as Chairman of the Meeting, he had been appointed as proxy by some shareholders who were unable to participate in the Meeting, and would be voting as their proxy in accordance with their voting instructions, where indicated.

As there was no legal requirement for a proposed resolution to be seconded, the Chairman took the Meeting through each item on the Agenda. The Meeting proceeded with the "Question and Answer" session upon completion of deliberations of items to be transacted at the Meeting, prior to the poll voting session. Shareholders and proxies were informed that they could proceed to cast and submit their votes from the start of the Meeting, should they wish to, until the closure of the voting session to be announced.

The Meeting was informed that the Share Registrar of the Company, ShareWorks Sdn. Bhd. was appointed to act as the Poll Administrator and SharePolls Sdn. Bhd. was appointed to act as the Independent Scrutineer to verify the results of the poll tabulation. The Meeting was informed that the poll for resolutions would be conducted upon completion of the formality and discussion of the business tabled at the Meeting.

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A short video clip was played at the Meeting showing the step-by-step guide on the online voting module to guide shareholders and proxies on where and how they could post their questions.

1.0 ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF UP TO 211,144,900 NEW ORDINARY SHARES IN SINARAN ADVANCE GROUP BERHAD

The Chairman informed that the first item on the Agenda was to approve the ordinary resolution for Proposed Private Placement of up to 211,144,900 New Ordinary Shares in Sinaran Advance Group Berhad, representing approximately 30% of the total number of existing issued shares of the Company, at an issue price to be determined later.

The Chairman further informed that the full details of the abovementioned proposal were set out in the Circular to Shareholders dated 9 September 2021 ("**Circular**").

2.0 ORDINARY RESOLUTION 2

PROPOSED BONUS ISSUE OF UP TO 457,480,741 FREE WARRANTS OF THE COMPANY

The Chairman informed that the last item on the Agenda was to approve the ordinary resolution for Proposed Bonus Issue of up to 457,480,741 Free Warrants of the Company, on the basis of 1 warrant for every 2 existing SAG Shares held by the entitled shareholders of SAG on an entitlement date to be determined and announced later.

The Chairman informed that the full details of the abovementioned proposal were set out in the Circular.

3.0 QUESTION AND ANSWER SESSION

After tabling of all resolutions, the Chairman announced that the Meeting was opened for "Question and Answer" session.

3.1 Question from Kok Sak Lin and Lum Pek Kam

Would the Board consider giving e-wallets credits for attending the EGM?

Answer

The Chairman would discuss the said requests with the Board in due course.

There being no further question raised, the Chairman then announced the closure of the "Question and Answer" session and the Meeting proceed with the polling voting.

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4.0 POLLING PROCESS

The Chairman announced that the voting session would continue for another 3 minutes to allow shareholders and proxies to complete their voting via the RPV facility.

After 3 minutes, the Chairman announced the closure of the voting session and the Meeting was adjourned for the Scrutineer to verify the poll results.

5.0 ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 12:41 p.m. and the Chairman called the Meeting to order for the declaration of the polling results for all resolutions set out in the Agenda.

Based on the poll results verified by the Scrutineer, the Chairman announced the poll results as follows: -

5.1 ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF UP TO 211,144,900 NEW ORDINARY SHARES IN SINARAN ADVANCE GROUP BERHAD

The poll result for Ordinary Resolution 1 which was carried as follows:-

Ordinary Resolution 1	No. of Shareholders	No. of Ordinary Shares	Percentage
Vote in Favour	7	147,141,600	99.9998%
Vote Against	2	300	0.0002%
Total	9	147,141,900	100.0000%
Result	CARRIED		

The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 1 be **CARRIED**:

"THAT subject to the approval of all the relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Board of Directors of the Company ("**Board**" or "**Directors**") to allot and issue up to 211,144,900 new ordinary shares in the Company ("**SAG Shares**" or "**Shares**") ("**Placement Shares**"), representing 30% of the total number of existing issued shares of the Company, by way of private placement to independent third-party investor(s) to be identified later in one or more tranches at an issue price for each tranche to be determined at a later date by the Board ("**Price-Fixing Date**") upon such terms and conditions as disclosed in the circular to the shareholders of the Company ("**Shareholders**") dated 9 September 2021 ("**Circular**");

THAT the issue price for each tranche of the Placement Shares will be determined based on a discount of not more than 20% to the 5-day volume-weighted average market price of SAG Shares up to and including the Price-Fixing Date;

THAT the Directors be and are hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient,

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subject (where required) to the approval of the relevant authorities and in the best interest of the Company;

THAT such Placement Shares shall, upon allotment, issuance and full payment of the issue price, rank equally in all respects with the existing issued Shares, save and except that the holders of such Placement Shares shall not be entitled to any dividend, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares;

AND THAT the Directors be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Private Placement."

5.2 ORDINARY RESOLUTION 2

PROPOSED BONUS ISSUE OF UP TO 457,480,741 FREE WARRANTS OF THE COMPANY

The poll result for Ordinary Resolution 2 which was carried as follows:-

Ordinary Resolution 2	No. of Shareholders	No. of Ordinary Shares	Percentage
Vote in Favour	7	147,141,600	99.9998%
Vote Against	2	300	0.0002%
Total	9	147,141,900	100.0000%
Result	CARRIED		

The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 2 be **CARRIED**:-

"THAT subject to the approvals of all relevant authorities and/ or parties (where applicable) being obtained, authority be and is hereby given to the Board to issue and allot up to 457,480,741 Warrants to be credited to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date on the basis of 1 Warrant for every 2 SAG Shares held in accordance with the provisions in the deed poll to be executed by the Company constituting the Warrants ("**Deed Poll**");

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll on behalf of the Company with full powers to assent to any condition, modification, variation and/ or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient and in the best interest of the Company, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/ or amendments to the exercise price and/ or number of the Warrants as may be required or permitted to be revised as consequence of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll,

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and take all steps as the Board deems fit and/or expedient in order and with full powers for the Board to implement, finalise and give full effect to the Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of the Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/ or the number of the Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll ("**Additional Warrants**");

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new Shares pursuant to the exercise of the Warrants and Additional Warrants by the holders of the Warrants and Additional Warrants in accordance with the provisions of the Deed Poll;

THAT the Board be and is hereby authorised to deal with any fractional entitlements from the Proposed Bonus Issue of Warrants, if any, in such a manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;

THAT the new SAG Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing SAG Shares, save and except that the new SAG Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid to the shareholders of the Company, for which the entitlement date is prior to the date of allotment and issuance of the new Shares arising from the exercise of the Warrants or Additional Warrants;

THAT the proceeds to be raised from the exercise of the Warrants and Additional Warrants, be utilised for such purposes and in such manner as set out in Section 3.6 of the circular to shareholders of the Company dated 9 September 2021, and the Board be authorised with full powers to vary the manner and/ or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary and/ or expedient, subject to the approval of the relevant authorities (where required) and in the best interest of the Company;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue of Warrants 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 and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

6.0 CONCLUSION

The Chairman concluded the Meeting at 12:42 p.m. and thanked all for shareholders and proxies for their participation at the Extraordinary General Meeting.

Dated: 24 September 2021



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Badan Pengawas Pemegang Saham Minoriti Berhad
Tingkat 11, Bangunan KWSP
No. 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Attention: Mr. Devanesan Evanson

Dear Sir,

**SINARAN ADVANCE GROUP BERHAD ("SAG" OR "COMPANY")
RE: EXTRAORDINARY GENERAL MEETING ("EGM") OF SAG HELD ON FRIDAY, 24
SEPTEMBER 2021**

We refer to your letter dated 17 September 2021 and we hereby reply to your concern in the ensuing paragraphs.

Proposed Private Placement

- 1) The Proposed Private Placement involves the issuance of new Sinaran shares representing approximately 30% of the existing total number of issued shares (page iv of the Circular dated 9 September 2021 ("Circular")).**

Upon completion of the Proposed Private Placement, the existing shareholders are subjected to a total of approximately 30% dilution. Please explain, how this huge dilution is not detrimental to existing shareholders?

The Proposed Private Placement is expected to raise gross proceeds of up to RM13.1 million (based on the Indicative Issue Price), which shall mainly be utilised to fund the working capital requirements of the Group's existing construction projects.

Despite the dilutive effect on the overall shareholders' shareholding in the Company, shareholders should consider the potential accretive effects of the Proposed Private Placement. For instance, majority of the funds to be raised from the Proposed Private Placement will be allocated specifically for the Group's construction segment, with the intention to reduce the Group's high dependency on its footwear business, in order to deliver sustainable value to the shareholders.

Furthermore, as the Proposed Private Placement can be implemented in tranches, the Company would have the flexibility to raise funds only when required and in an expeditious manner, thus preventing immediate dilution of existing shareholders' shareholdings in the Company.



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- 2) The Placement Shares will be issued based on a discount of not more than 20% to the 5-day VWAP of shares up to and including the last trading day immediately preceding the price-fixing date (page 3 of the Circular).**

Given the huge dilution effect to existing shareholders and the discount of not more than 20% to be given to the identified 3rd party investor(s) for the Proposed Private Placement, why were not the existing shareholders given the opportunity to participate in the Company's fund-raising exercise?

Under the private placement, the Company is able to target specific investors for its funding requirements. Unlike a private placement, a rights issue will also require the Company to obtain irrevocable undertakings from the existing substantial shareholders to subscribe for a minimum number of rights shares or alternatively, procure underwriting arrangements (which will incur additional cost) in order to achieve a minimum subscription level to raise the requisite funds. It is not easy to procure undertaking commitment from shareholders in spite of the current uncertain economy condition.

- 3) What are the chances of third-party investor(s) emerging as new substantial shareholder(s) pursuant to the Proposed Private Placement?**

The Company does not foresee any emerging of new substantial shareholders arising from the Proposed Private Placement.

Yours sincerely,

For and on behalf of
Sinaran Advance Group Berhad

(duly signed)

Koo Kien Yoon
Non-Independent Non-Executive Director