

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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

(Incorporated in Malaysia)

Summary of the key matters discussed at the Extraordinary General Meeting (“EGM”) of Sarawak Consolidated Industries Berhad (“SCIB”) conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 3 June 2020 at 11.30 a.m.

- 1) The following questions were raised by the shareholders at the EGM and the responses from SCIB are as follows:

Questions raised by shareholders	Responses from SCIB
<p>1. Any material impact on operation and cost of SCIB Group arising from the COVID-19 pandemic?</p>	<p>At this point of time, SCIB Group has ample supply of raw material for use in operation. The gearing is 0.45 times which reflects that it is self-sufficient at the moment. The main impact of COVID-19 pandemic is the element of lockdown. Projects in Malaysia are required to follow the Standard Operating Procedures set by the government. Certain projects in Indonesia are put on hold while projects that considered under the essential industries category are carried on as usual. This situation also occurred in both Qatar and Oman. At rough estimates, SCIB Group of Companies could move 60% of their projects while another 40% are under restrictions. Overall, there is no negative impact arising from COVID-19 pandemic. However, aggressive catch up will be done in middle of June 2020 and we expect a lot of businesses to resume by then.</p>
<p>2. Will SCIB Group of Companies be awarded contracts by Serba Dinamik Holdings Berhad Group of Companies?</p>	<p>It is very much subject to the approval to be obtained at the EGM and also the similar approval from the shareholders of Serba Dinamik Holdings Berhad Group of Companies. From Serba Dinamik Holdings Berhad Group of Companies point of view, there are still rooms which related party transactions and recurrent related party transactions are still being allowed but the quantum is quite small at the moment. SCIB Group of Companies activities are not to compete but to compliment towards Serba Dinamik Holdings Berhad Group of Companies’ business activities in accordance with the relevant regulatory guidelines.</p> <p>On governance aspect, every company including SCIB have its own Supply Chain Management Policy to be catered for. Therefore, all the procedures and requirements need to be adhered to so that a fair and justified decision could be made.</p>

Questions raised by MSWG	Responses from SCIB
<p>3. The contract to be secured from Serba Dinamik Holdings Berhad will be for a period of 24 to 36 months. What will happen beyond that period, say for the next 5 years down the road?</p>	<p>SCIB group of companies are fully guided by rules and regulations as well as corporate governance of the respective parties which SCIB group of companies are dealing with. Before the mandate reaching the completion period of 36 months, SCIB will revert to shareholders for approval. SCIB will also seek approval and guidance from the relevant authorities, if so required.</p> <p>Management strongly believes that as an entity that operates based on laws, regulations and governance, there should not be any problem in getting the necessary approval from the relevant authorities.</p> <p>Management also believes that SCIB as a listed issuer will be fair and transparent in dealing with their clients including Serba Dinamik Holdings Berhad Group of Companies. Going forward, SCIB Group of Companies have their own strategies in expanding the business both locally and overseas. Therefore, there won't be much overreliance on Serba Dinamik Holdings Berhad Group of Companies. SCIB will take it as an opportunity to expand its business rapidly.</p>
<p>4. Why didn't SCIB Group of Companies undertake rights issue to fund the corporate exercise, instead chosen private placement as the route?</p>	<p>Both options were taken into consideration, but SCIB opted for private placement given that private placement gives certainty in terms of raising the funds and also taken into consideration in the interest of time because through private placement, the corporate exercise could be completed faster as compared to rights issue. For private placement in this case, SCIB has locked in the two shareholders to undertake to subscribe for the new shares offered by SCIB whereas for rights issue, there is uncertainty whether shareholders will subscribe for the new shares especially given the current situation.</p>
<p>5. For the plan to acquire oil and gas company to venture into oil and gas industries, why not rides along with Serba Dinamik Holdings Berhad Group of Companies or the other subsidiaries?</p>	<p>SCIB Group of Companies have its own strength and capability to move forward as an independent entity, both domestically and internationally. To certain level of contracts from Serba Dinamik Group, the relevant rules and requirements as well as governance aspects must be complied with.</p>

Questions raised by MSWG	Responses from SCIB
	<p>The role of SCIB is complimenting the emergence and positioning of Serba Dinamik Group, from the aspect of integrated solution provider to the civil construction related capability. Besides, SCIB will move on with its own strength. Therefore, it is looking for suitable vehicle in order for them to move into the oil and gas industry. However, it will very much focus on the civil category.</p> <p>In oil and gas industry, the civil category also includes (under the SWEAT code) insulation, scuff-folding on top of the normal civil works. There is diversification in terms of positioning so that SCIB has wider scope of prospect and opportunity in terms of revenue.</p> <p>At SCIB, we have yet to tap fully our potential. In this respect, we want to make sure that our capabilities are being demonstrated in various sectors including oil and gas industry. This will help to diversify our revenue streams, moving forward.</p>