

**SUMMARY OF THE KEY MATTERS DISCUSSED AT THE 44<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) 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 THURSDAY, 18 JUNE 2020 AT 11.30 A.M.**

The slides on the financial highlights and prospects of SCIB Group, copies as attached herewith were presented during the AGM.

The following key questions were raised by the shareholders at the AGM and the responses from SCIB are as follows:

<b>Questions raised by shareholders</b>	<b>Responses from SCIB</b>
<p>1. When will the Company intend to undertake rights issue and private placement exercises?</p> <p>2. The EGM was held two (2) weeks ago. Will it be more cost effective if it is held together with this AGM? The first quarterly result ended 31 March 2020 was very encouraging. Will the coming quarterly result to be similar? what are the major stumbling blocks that can prevent and help to overcome it?</p>	<p>SCIB has just completed the private placement exercise on 16 June 2020 and the new shares have been quoted and listed on Bursa Malaysia Securities Bhd on 16 June 2020. For the moment, there is no urgency for SCIB to undertake the right issues exercise because the private placement funds are enough to cover the existing projects requirements. SCIB may undertake the right issues exercise in year 2021 but Management needs to explore further and consider all aspects in connection thereto.</p> <p>For the EGM, two (2) proposals were tabled for approval, ie. the private placement exercise and new recurrent related party transactions. The main reason why the EGM was held separately from the AGM is because SCIB is working on the tight deadline to catch the window of opportunity particularly on the private placement exercise. During this difficult time, the investors are also quite picky. Therefore, Management has to work extra hard to make sure the private placement exercise is completed soonest possible to bring in the funds to the Company. The private placement exercise was carried out smoothly and now the Company has additional fund of about RM67.0 million to be utilised for the projects.</p> <p>With regard to the prospect for the second quarter of 2020, Management has yet to access fully the impact of the performance. Management is trying to make up whatever is lacking during the Movement Control Order (“MCO”) period. Management and the Board are working very hard to ensure SCIB performs up to the level as expected and in positive outlook.</p>

Questions raised by shareholders	Responses from SCIB
<p>3. Giving the COVID-19 cases currently fighting in Middle East and Indonesia, how is the status for the projects in those regions? Did SCIB face any destruction in work progress and how bad is it?</p>	<p>Currently, SCIB has ongoing contracts in Qatar and Oman. SCIB also looking into the business opportunity in other parts of Middle East. For Qatar, in the months of April and May 2020, out of the three (3) contracts secured by SCIB Group, one (1) contract was put on hold, while the remaining two (2) contracts are ongoing on the basis that these two (2) contracts are under essential category in the respective countries. According to the project team in Qatar, the contract that has been put on hold during the months of April and May 2020 will commence in June 2020. The project teams in Qatar are now being mobilised trying to catch up the work to meet the deadline for the respective contracts.</p> <p>For Oman region, the two (2) contracts are ongoing as they are classified under essential category. Looking at the prospects of SCIB Group presented during the AGM, the big events and targets in Middle East, eg. FIFA 2022 in Qatar and the intention of Oman to further develop the country, activities are put under high priority at the moment. Based on the best estimates for the performance of overseas contracts, Management was of the opinion that assuming second wave of COVID-19 does not happen, they will give positive impact for SCIB Group to move forward until end of 2020 with good set of financial results.</p>
<p>4. One of the visions of SCIB Group is to achieve one (1) billion market capitalisation within the next two (2) years. Taking into consideration the COVID-19 pandemic, will the vision be delayed? If it will, for how long?</p>	<p>Management was of the view that the vision to achieve one (1) billion market capitalization in 2021 is achievable, provided second wave of COVID-19 pandemic does not happen. To the best estimations and knowledge on potential jobs to be secured and other corporate exercises that SCIB will be undertaking in the near future to realise the vision to achieve one (1) billion market capitalization, Management is confident that SCIB Group is able to achieve the said vision in 2021.</p>
<p>5. What are the effects of MCO on SCIB Group business operations?</p>	<p>Any disaster that happen does have privileges and advantages that can be hanged on to. The MCO has created awareness to the entire management team to depend more on online technology in their day-to-day business activities. In addition, it also enhanced the knowledge of Management on the importance of “thinking outside the box” approach within the management team and at working level, e.g. conduct meetings and discussion virtually via electronic means. COVID-19 pandemic situation does not restrict and refrain SCIB to achieve its targets and plan. SCIB will grab every opportunity that exist within SCIB own capabilities.</p>

Questions raised by shareholders	Responses from SCIB
<p>6. Is there any pressure on receivable side due to challenging economic conditions? Is there any delay in rolling out the projects on hand by customers, both locally and abroad, and does it affect SCIB due to change in economic landscape?</p> <p>7. In future, is there any targeted geographical ratios between the projects in Malaysia versus outside Malaysia?</p> <p>8. Giving the RMCO is extended to 31 August 2020, Malaysian are still being barred to do certain businesses and travelling, how do SCIB manage its human capital in handling the projects outside the country which require the final check and balance at the site?</p>	<p>There are some challenges faced by SCIB Group in terms of collection of debts. Overall, SCIB is managing the challenges faced by SCIB Group very well. Based on the financial records presented at the AGM, SCIB Group's aging analysis has shown improvement. Management is making relevant attempts to talk to clients to pay their debts on time.</p> <p>Management team is very opportunistic. SCIB will approach any geographic areas based on the opportunities provided to SCIB, but there is no specific targeted geographical ratios. Based on the opportunity given and network of SCIB, SCIB foresees a lot more project overseas, especially in Middle East. SCIB is getting ground in Peninsular Malaysia, particularly the project that is currently working on in Johor. SCIB has tendered for projects in Malaysia.</p> <p>Management hopes that there is a balance in terms of geographical areas. From the MCO, it is learnt that if it is too focus on one area, the impact will be very bad. However, for SCIB, diversification is very important. While Malaysia is in lock down period, certain area of the counties like Qatar, due to the extension of industries, SCIB has to work with proper standard operating procedures.</p> <p>The geographical positioning of SCIB has to be enlarged and widen as it will provide bigger playground to look at different prospect so that the annual target which has been set by Management is achievable. Management felt that the brain of the nation in Malaysia need to be brought out of Malaysia, ie. to promote local technology to other countries.</p> <p>Management hopes that the COVID-19 pandemic could end soonest possible as there are many indications happening in different countries.</p> <p>In construction and engineering activities which SCIB has done, there are quality control documents. Quality control documents will put both parties in supervision and inspection where both parties' authorised representatives will have to agree with the percentage of completion of project and the quality to be achieved as stated in the contract must be met. Therefore, the check and balance are carried out in order to make sure that quality and terms of contracts are not overlooked or forego.</p>

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	<p>For collection of debts, it will be guided by the terms as stipulated in the contracts. In any aspect, it requires the necessary practices in accordance with the standards agreed by both clients and SCIB.</p> <p>If there are additional works offered to SCIB, SCIB may not be able to get additional workforce from other countries. As far as the scope of work and the contracts currently undertaken by SCIB are concerned, they are manageable by SCIB because all the workforce required for the current projects have been put in place before the lockdown occurred in the respective countries.</p>