

SCH GROUP BERHAD
[Registration No. 201101044580 (972700-P)]
(Incorporated in Malaysia)

MINUTES OF THE FULLY VIRTUAL EXTRAORDINARY GENERAL MEETING (“EGM”) OF SCH GROUP BERHAD (“SCH” OR “THE COMPANY”) CONDUCTED FROM THE BROADCAST VENUE AT LOT 35, JALAN CJ 1/1, KAWASAN PERUSAHAAN CHERAS JAYA, 43200 CHERAS, SELANGOR DARUL EHSAN ON FRIDAY, 26 FEBRUARY 2021 AT 4.00 P.M.

Directors

1. Dato’ Chan Choun Sien (Independent Non-Executive Chairman)
2. Mr Ang Sui Aik (Group Managing Director)
3. Mr Wong Kin Seng (Executive Director)
4. Dato’ Ong Choo Meng (Non-Independent Non-Executive Director) – participated via Zoom Apps
5. Ms Ong Tzu Chuen (Non-Independent Non-Executive Director)
6. Mr Sim Yee Fuan (Independent Non-Executive Director) – participated via Zoom Apps
7. Mr Gan Khong Aik (Independent Non-Executive Director) – participated via Zoom Apps

Company Secretaries

1. Mr Tan Tong Lang
2. Mr Lee Kok Ping

Invitees

1. Saliny Kamarudin
2. Chua Kah Chun

Shareholders/ Proxies

As per the Attendance List

1.0 CONVENING OF MEETING

- 1.1 The Chairman chaired the meeting and welcomed the shareholders and proxies (“Members”) who participated in the meeting remotely from various locations through live streaming, to the EGM of the Company.
- 1.2 There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 4.00 p.m.
- 1.3 The Chairman introduced the Directors and Company Secretaries present, and drew attention to some housekeeping matters including manner of posing questions, and poll voting, which would be conducted during the deliberations of the agenda in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Members were informed that Messrs Tricor Investor & Issuing House Services Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling process, whilst Messrs Shareworks Sdn. Bhd. was appointed as the Scrutineers to verify the poll results.
- 1.4 With the consent of the Members, the notice convening the EGM was taken as read. The Chairman then proceeded to the official business of the EGM.

2.0 SPECIAL RESOLUTION 1
PROPOSED SHARE CONSOLIDATION OF EVERY THREE (3) EXISTING ORDINARY SHARES IN SCH INTO ONE (1) CONSOLIDATED SCH SHARE

2.1 The Chairman informed that the first agenda of the EGM was to approve the proposed share consolidation of every three (3) existing ordinary shares in SCH ("SCH shares") into one (1) consolidated SCH shares ("proposed share consolidation"). He informed that details information of the proposed share consolidation stated in the Circular to Shareholders dated 4 February 2021, which had already been provided to the Shareholders prior to the EGM.

2.2 The Chairman proceeded with the next agenda of the EGM.

3.0 ORDINARY RESOLUTION 1
PROPOSED RIGHTS ISSUE OF NEW ORDINARY SHARES IN SCH TO RAISE GROSS PROCEEDS OF UP TO RM155,000,000.00

3.1 The Chairman informed that the next agenda of the EGM was to approve the proposed right issue of new ordinary shares in SCH to raise gross proceeds of up to RM155,000,000.00 ("proposed right issue"). He informed that detailed information of the proposed right issue stated in the Circular to Shareholders dated 4 February 2021, which already been provided to the Shareholders prior to the EGM

3.2 The Chairman proceeded with the next agenda of the EGM.

4.0 ORDINARY RESOLUTION 2
PROPOSED EXEMPTION TO HEXSTAR HOLDINGS SDN BHD ("HEXTAR") AND PERSONS ACTING IN CONCERT ("PACs") WITH IT FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER FOR THE REMAINING ORDINARY SHARES IN SCH AND OUTSTANDING WARRANTS 2016/2021 NOT ALREADY OWNED BY THEM IN ACCORDANCE WITH PARAGRAPH 4.01(A) OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS ("RULES") ARISING FROM THE SUBSCRIPTION BY HEXSTAR OF THE RIGHTS SHARES PURSUANT TO THE UNDERTAKINGS (AS DEFINED IN THE CIRCULAR), UNDER PARAGRAPH 4.08(1)(B) OF THE RULES

4.1 The Chairman informed that the next agenda of the EGM was to approve the proposed exemption to Hextar Holdings Sdn Bhd ("Hextar") and persons acting in concert ("PACs") with it from the obligation to undertake a mandatory take-over offer for the remaining SCH Shares and outstanding warrants 2016/2021 ("Warrants") not already owned by them in accordance with Paragraph 4.01(A) of the Rules on Take-Overs, Mergers and Compulsory Acquisition ("Rules") arising from the subscription by Hextar of the Rights Shares pursuant to the undertakings under Paragraph 4.08(1)(B) of the Rules ("proposed exemption"). He informed that detailed information of the proposed exemption stated in the Circular to Shareholders dated 4 February 2021, which already been provided to the Shareholders prior to the EGM.

4.2 The Chairman proceeded with the next agenda of the EGM.

5.0 ANY OTHER BUSINESS

Upon consulting the Company Secretary, the Chairman informed that no notice was received from any members for tabling any other business at the EGM. The Chairman then invited the Poll Administrator and the Scrutineer to do the necessary to ensure full compliance of the voting procedures.

5.1 The Chairman then welcomed questions from the Members before proceed for the voting process.

5.2 At this juncture, the following two (2) questions were raised by the Members:-

1. What is the rationale for the three (3) resolutions set out in the Notice of EGM dated 4 February 2021?
2. Are there any benefits to the minority shareholders from the proposed Shares Consolidation?

5.3 Ms Saliny, the principal adviser from Aminvestment Bank Berhad, responded that the rationales for the three (3) proposals i.e (i) Proposed Shares Consolidation, (ii) Proposed Right Issue; and (iii) Proposed Exemption, are stated in Section 3 of the Circular to Shareholders dated 4 February 2021. In short, the 3 proposals provide greater flexibility in price fixing for issue price, raise proceed to repay bank borrowings and for working capital needs, and exempt the PAC from the obligation to undertake Mandatory Offer as a result of undertakings the right issue.

5.4 Ms Saliny also responded that the Proposed Share Consolidation would not change the shareholdings of the Shareholders.

5.5 The Chairman then invited the Poll Administrator and the Scrutineer to do the necessary to ensure full compliance of the voting procedures. The polling process took place at 4.15 p.m.

6.0 DECLARATION OF RESULTS

6.1 Upon completion of the polling process at 4.30 p.m., the Chairman announced the results of the poll voting and declared that all the following resolutions set out in the Notice of EGM dated 4 February 2021, carried, as attached hereto as Annexure I:-

"SPECIAL RESOLUTION 1

THAT, subject to the approvals from the relevant authorities being obtained, approval be and is hereby given to the Board of Directors of SCH ("Board") to consolidate every three (3) existing SCH Shares held by the shareholders of the Company, whose names appear in the Company's Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the Board, into one (1) Consolidated Share;

THAT the fractional entitlements arising from the Proposed Share Consolidation, if any, will be disregarded and dealt with in such manner as the Board in its sole and absolute discretion deems fit and expedient, and in the best interest of the Company;

THAT the Consolidated Shares, upon allotment and issuance, rank equally in all respects with each other;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Share Consolidation including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or as required by the relevant authorities in order to carry out, finalise and give full effect to the Proposed Share Consolidation.

ORDINARY RESOLUTION 1

THAT, subject to the passing of the Ordinary Resolution 2, and the approvals being obtained from the relevant authorities, approval be and is hereby given to the Board of SCH to:-

- (i) provisionally allot and issue by way of a renounceable rights issue of new SCH Shares (“Rights Shares”) to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced later by the Board (and/or their renounee(s) and/or transferee(s), as the case may be) (“Entitled Shareholders”);*
- (ii) to allot and issue such number of additional warrants 2016/2021 in SCH (“Warrants”) to be issued as a result of the adjustments to the number of outstanding Warrants arising from the Proposed Rights Issue (“Additional Warrants”) and to allot and issue such number of new SCH Shares to be issued arising from the exercise of the Additional Warrants;*
- (iii) determine and fix the entitlement basis and issue price of the Rights Shares which shall be announced later by the Board on the price-fixing date to raise gross proceeds of up to RM155,000,000; and*
- (iv) utilise the proceeds to be derived from the Proposed Rights Issue for the purposes as set out in Section 5 of Part A of the circular dated 4 February 2021 to the shareholders of the Company (“Circular”) and to vary the manner and/or purpose of such proceeds as the Board may deem fit and in the best interest of the Company, subject (where required) to the approval of the relevant authorities.*

THAT in determining the shareholders’ entitlement to the Rights Shares, the fractional entitlements, if any, will be disregarded and dealt with in such manner as the Board in its sole and absolute discretion deems fit and expedient, and in the best interest of the Company;

THAT any Rights Shares which is not subscribed or validly subscribed will be made available for excess application by the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) in a fair and equitable manner on a basis to be determined by the Board;

THAT the Rights Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the then existing SCH Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the entitlement date of which precedes the date of

allotment of the Rights Shares;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Rights Issue including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or as required by the relevant authorities in order to carry out, finalise and give full effect to the Proposed Rights Issue.

ORDINARY RESOLUTION 2

THAT, subject to the passing of the Ordinary Resolution 1, and the approval from the Securities Commission Malaysia ("SC") being obtained and/or any other relevant authorities or parties (where required) including such conditions as may be imposed by the SC, approval be and is hereby given in accordance with paragraph 4.08(2)(b) of the Rules for Hextar and its PACs, to be exempted from the obligation to undertake a mandatory take-over offer to acquire all the remaining SCH Shares and Warrants not already held by Hextar and its PACs pursuant to the subscription of the Rights Shares by Hextar pursuant to the Undertakings (as defined in the Circular) and its PACs;

AND THAT the Board of Directors of SCH ("Board") be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Exemption including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or as required by the relevant authorities in order to carry out, finalise and give full effect to the Proposed Exemption."

7.0 CLOSURE

- 7.1 There being no other business, the EGM was closed at 4.45 p.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record of
the proceedings held thereat**

-signed-

DATO' CHAN CHOUN SIEN
Chairman