

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

**MINUTES OF THE FOURTH ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED ON A VIRTUAL BASIS AND ENTIRELY VIA REMOTE PARTICIPATION AND VOTING FROM THE BROADCAST VENUE AT 4TH FLOOR, MENARA LIEN HOE, NO. 8, PERSIARAN TROPICANA, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR DARUL EHSAN VIA AN ONLINE MEETING PLATFORM AT <https://rebrand.ly/SinaranAGM> PROVIDED BY INSHUB SDN. BHD. IN MALAYSIA ON WEDNESDAY, 5 JUNE 2024 AT 11:00 A.M.**

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**DIRECTOR WHO PRESENT PHYSICALLY AT THE BROADCAST VENUE** : Mr. Koo Kien Yoon, Non-Independent Non-Executive Director (Chairman of the Meeting)

**DIRECTORS WHO PRESENT REMOTELY** : Independent Non-Executive Directors  
1) Mr. Chuah Hoon Hong  
2) Encik Ahmad Nasirruddin Bin Harun  
3) Encik Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad  
4) Ms. Charissa Lim Zhu Ai

**IN ATTENDANCE** : Mr. Cheng Chia Ping, the Company Secretary

**BY INVITATION PRESENT REMOTELY** : 1) Ms. Pauline Tee, Finance Manager  
2) Mr. Ding ZiDi, Deputy General Manager, Fujian Jinjiang Dixing Shoes Plastics Co., Ltd.  
3) Mr. Heng Kian Onn, the representative of External Auditors, ChengCo PLT

**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 Fourth Annual General Meeting of the Company ("**Fourth AGM**") ("**Chairman**") pursuant to Clause 19.4 of the Company's Constitution. He welcomed all to the Fourth AGM and informed that the Fourth AGM was conducted on a virtual basis and entirely via remote participation and voting from the broadcast venue by the shareholders, proxies and corporate representatives.

The Chairman then introduced the Directors, Management and the External Auditors who were in attendance.

## **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 29 May 2024 as the determinant date of the General Meeting Record of Depositors.

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## **NOTICE**

The Notice convening the Meeting dated 29 April 2024 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 briefed the Meeting that the Company had on 1 June 2024 received a letter from the Minority Shareholders Watch Group ("**MSWG**"), which raised several issues on financial/strategic matters and corporate governance matters of the Company.

As requested by MSWG, the Meeting noted the points raised by MSWG and the Company's reply thereto as presented by the Chairman. A copy of the same 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 Fourth AGM. 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, Workshire Share Registration 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.

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 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

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The Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon.

The Meeting was informed that this Agenda item was meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item was not put forward for voting.

The Chairman declared that the Audited Financial Statements the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon, be received.

**2.0 APPROVAL OF DIRECTORS' FEES PAYABLE TO THE DIRECTORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

The Chairman informed that the second item on the Agenda was to approve the Directors' Fees payable to the Directors of the Company of up to RM280,000/- for the financial year ending 31 December 2024 and to be made payable on monthly basis.

**3.0 APPROVAL OF AN AMOUNT OF UP TO RM20,000/- AS BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY WITH EFFECT FROM 6 JUNE 2024, A DAY AFTER THE FOURTH AGM UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY IN YEAR 2025 PURSUANT TO SECTION 230(1)(b) OF THE COMPANIES ACT 2016**

The Chairman informed that the third item on the Agenda was to approve an amount of up to RM20,000/- as benefits payable to the Non-Executive Directors of the Company with effect from 6 June 2024, a day after the Fourth AGM until the next Annual General Meeting of the Company in year 2025 pursuant to Section 230(1)(b) of the Companies Act 2016.

**4.0 RE-ELECTION OF THE FOLLOWING DIRECTORS, WHO RETIRED PURSUANT TO CLAUSE 21.7 OF THE CONSTITUTION OF THE COMPANY AND BEING ELIGIBLE, OFFERED THEMSELVES FOR RE-ELECTION:-**

- (A) MR. CHUAH HOON HONG; AND**
- (B) ENCIK AHMAD NASIRRUDDIN BIN HARUN**

The Chairman informed that the fourth item on the Agenda was to re-elect Mr. Chuah Hoon Hong and Encik Ahmad Nasirruddin Bin Harun, who retired pursuant to Clause 21.7 of the Constitution of the Company and being eligible, have each offered themselves for re-election.

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**5.0 RE-ELECTION OF THE FOLLOWING DIRECTORS, WHO RETIRED PURSUANT TO CLAUSE 21.11 OF THE CONSTITUTION OF THE COMPANY AND BEING ELIGIBLE, OFFERED THEMSELVES FOR RE-ELECTION:-**

- (A) ENCIK ABDUL MENON BIN ARSAD @ ABDUL MANAN BIN ARSHAD;  
AND**
- (B) MS. CHARISSA LIM ZHU AI**

The Chairman informed that the fifth item on the Agenda was to re-elect Encik Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad ("**Encik Abdul Menon**") and Ms. Charissa Lim Zhu Ai ("**Ms. Charissa Lim**"), who retired pursuant to Clause 21.11 of the Constitution of the Company and being eligible, have each offered themselves for re-election.

**6.0 RE-APPOINTMENT OF CHENGCO PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY AT A REMUNERATION TO BE DETERMINED BY THE DIRECTORS**

The Chairman informed that the sixth item on the Agenda was to re-appoint ChengCo PLT as Auditors of the Company for the financial year ending 31 December 2024 and to hold office until the conclusion of the next annual general meeting of the Company at a remuneration to be determined by the directors.

The Meeting noted that ChengCo PLT had indicated their willingness to continue in office as Auditors of the Company.

The Meeting then proceeded with the Special Business.

**7.0 SPECIAL BUSINESS**

**AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

The Chairman informed that the seventh item on the Agenda was a special business for the approval of the Ordinary Resolution in respect of the Authority to issue shares pursuant to Companies Act 2016.

The Meeting was informed that the Company wished the General Mandate is to waive the statutory pre-emptive rights of shareholders of the Company and granting a new General Mandate and empowering the Directors of the Company, pursuant to the Companies Act 2016, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The Meeting noted that the proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not

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limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

After having considered all aspects of the general mandate, the Board was of the opinion that the adoption of the general mandate would be in the best interest of the Company and its shareholders.

**8.0 PROPOSED GRANTING OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OPTIONS TO ENCIK ABDUL MENON BIN ARSAD @ ABDUL MANAN BIN ARSHAD AND MS. CHARISSA LIM ZHU AI**

The Chairman informed that the eighth and ninth items on the Agenda were to Proposed Granting of ESOS to Encik Abdul Menon and Ms. Charissa Lim respectively. This would enable Encik Abdul Menon and Ms. Charissa Lim, the Independent Non-Executive Directors of the Company, to participate in the ESOS.

Encik Abdul Menon and Ms. Charissa Lim, being the interested Directors, would abstain and had also undertaken to ensure that persons connected to them would abstain from voting on these resolutions. Both had also abstained from the deliberations and voting on these resolutions at the Board of Directors' Meeting held.

The Meeting then proceeded with the next item on the Agenda.

**9.0 ANY OTHER BUSINESS**

There was no other notice received to transact any other business.

**10.0 QUESTION AND ANSWER SESSION**

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

The Chairman informed the Meeting that there were no questions raised by the shareholders.

**11.0 POLLING PROCESS**

The Chairman announced that the voting session would continue for another five (5) minutes to allow shareholders and proxy holder to complete their voting via the RPV facility.

After five (5) minutes and prior to announcing the closure of the voting session, the Chairman handed over to the Company Secretary for a special announcement.

The Company Secretary, for and on behalf of the Board, was pleased to announce that as a token of appreciation to the entitled shareholders and/or proxies, a pack

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of door gifts as follows would be distributed to the entitled shareholders and/or proxies who attended the Fourth AGM, within two (2) weeks: -

- (1) one (1) piece of XOX Prepaid Sim Card; and
- (2) Product vouchers worth RM80/- from the online Shopee store of M. Gadget.

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

## **12.0 ANNOUNCEMENT OF POLL RESULTS**

The Meeting resumed at 11:57 a.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: -

### **12.1 ORDINARY RESOLUTION 1**

#### **APPROVAL OF DIRECTORS' FEES PAYABLE TO THE DIRECTORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

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

<b>Ordinary Resolution 1</b>	<b>No. of Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>Percentage (%)</b>
Vote in Favour	11	495,779,100	99.9908
Vote Against	8	45,600	0.0092
<b>Total</b>	<b>19</b>	<b>495,824,700</b>	<b>100.0000</b>
<b>Result</b>	<b>CARRIED</b>		

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

"That the Directors' Fees payable to the Directors of the Company of up to RM280,000/- for the financial year ending 31 December 2024 be and is hereby approved for payment and to be made payable on monthly basis."

### **12.2 ORDINARY RESOLUTION 2**

#### **APPROVAL OF AN AMOUNT OF UP TO RM20,000/- AS BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY WITH EFFECT FROM 6 JUNE 2024, A DAY AFTER THE FOURTH AGM UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY IN YEAR 2025 PURSUANT TO SECTION 230(1)(b) OF THE COMPANIES ACT 2016**

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

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<b>Ordinary Resolution 2</b>	<b>No. of Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>Percentage (%)</b>
Vote in Favour	11	495,779,100	99.9908
Vote Against	8	45,600	0.0092
<b>Total</b>	<b>19</b>	<b>495,824,700</b>	<b>100.0000</b>
<b>Result</b>	<b>CARRIED</b>		

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

"That the amount of up to RM20,000/- as benefits payable to the Non-Executive Directors of the Company be and is hereby approved with effect from 6 June 2024, a day after the Fourth AGM until the next Annual General Meeting of the Company in year 2025 pursuant to Section 230(1)(b) of the Companies Act 2016."

### 12.3 ORDINARY RESOLUTION 3

#### **RE-ELECTION OF MR. CHUAH HOON HONG WHO RETIRED IN ACCORDANCE WITH CLAUSE 21.7 OF THE COMPANY'S CONSTITUTION**

The poll result for Ordinary Resolution 3 which was carried as follows:-

<b>Ordinary Resolution 3</b>	<b>No. of Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>Percentage (%)</b>
Vote in Favour	16	495,824,500	100.0000
Vote Against	3	200	0.0000
<b>Total</b>	<b>19</b>	<b>495,824,700</b>	<b>100.0000</b>
<b>Result</b>	<b>CARRIED</b>		

The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 3 be **CARRIED**:-

"That the retiring Director, Mr. Chuah Hoon Hong who retired pursuant to Clause 21.7 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

### 12.4 ORDINARY RESOLUTION 4

#### **RE-ELECTION OF ENCIK AHMAD NASIRRUDDIN BIN HARUN WHO RETIRED IN ACCORDANCE WITH CLAUSE 21.7 OF THE COMPANY'S CONSTITUTION**

The poll result for Ordinary Resolution 4 which was carried as follows:-

<b>Ordinary Resolution 4</b>	<b>No. of Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>Percentage (%)</b>
Vote in Favour	15	495,824,400	99.9999
Vote Against	4	300	0.0001
<b>Total</b>	<b>19</b>	<b>495,824,700</b>	<b>100.0000</b>
<b>Result</b>	<b>CARRIED</b>		

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The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 4 be **CARRIED:-**

“That the retiring Director, Encik Ahmad Nasirruddin Bin Harun who retired by rotation pursuant to Clause 21.7 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”

#### **12.5 ORDINARY RESOLUTION 5**

**RE-ELECTION OF ENCIK ABDUL MENON BIN ARSAD @ ABDUL MANAN BIN ARSHAD WHO RETIRED IN ACCORDANCE WITH CLAUSE 21.11 OF THE COMPANY’S CONSTITUTION**

The poll result for Ordinary Resolution 5 which was carried as follows:-

<b>Ordinary Resolution 5</b>	<b>No. of Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>Percentage (%)</b>
Vote in Favour	13	495,823,900	99.9999
Vote Against	5	700	0.0001
<b>Total</b>	<b>18</b>	<b>495,824,600</b>	<b>100.0000</b>
<b>Result</b>	<b>CARRIED</b>		

The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 5 be **CARRIED:-**

“That the retiring Director, Encik Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad who retired by rotation pursuant to Clause 21.11 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”

#### **12.6 ORDINARY RESOLUTION 6**

**RE-ELECTION OF MS. CHARISSA LIM ZHU AI WHO RETIRED IN ACCORDANCE WITH CLAUSE 21.11 OF THE COMPANY’S CONSTITUTION**

The poll result for Ordinary Resolution 6 which was carried as follows:-

<b>Ordinary Resolution 6</b>	<b>No. of Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>Percentage (%)</b>
Vote in Favour	16	450,824,500	100.0000
Vote Against	3	200	0.0000
<b>Total</b>	<b>19</b>	<b>450,824,700</b>	<b>100.0000</b>
<b>Result</b>	<b>CARRIED</b>		

The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 6 be **CARRIED:-**



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“That the retiring Director, Ms. Charissa Lim Zhu Ai who retired by rotation pursuant to Clause 21.11 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”

**12.7 ORDINARY RESOLUTION 7**

**RE-APPOINTMENT OF CHENGCO PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY AT A REMUNERATION TO BE DETERMINED BY THE DIRECTORS**

The poll result for Ordinary Resolution 7 which was carried as follows:-

<b>Ordinary Resolution 7</b>	<b>No. of Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>Percentage (%)</b>
Vote in Favour	15	495,819,500	99.9990
Vote Against	4	5,200	0.0010
<b>Total</b>	<b>19</b>	<b>495,824,700</b>	<b>100.0000</b>
<b>Result</b>	<b>CARRIED</b>		

The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 7 be **CARRIED**:-

“That the retiring Auditors, ChengCo PLT be re-appointed as External Auditors of the Company for the financial year ending 31 December 2024 and that authority given for the Directors to fix their remuneration.”

**13.0 SPECIAL BUSINESS**

**13.1 ORDINARY RESOLUTION 8**

**AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

The poll result for Ordinary Resolution 8 which was carried as follows:-

<b>Ordinary Resolution 8</b>	<b>No. of Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>Percentage (%)</b>
Vote in Favour	13	495,784,200	99.9918
Vote Against	6	40,500	0.0082
<b>Total</b>	<b>19</b>	<b>495,824,700</b>	<b>100.0000</b>
<b>Result</b>	<b>CARRIED</b>		

The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 8 be **CARRIED**:-

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Constitution of the Company, and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons

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and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

**THAT** pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 7.2 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016;

**AND THAT** the Directors be and are empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

### 13.2 ORDINARY RESOLUTION 9

#### **PROPOSED GRANTING OF ESOS OPTIONS TO ENCIK ABDUL MENON BIN ARSAD @ ABDUL MANAN BIN ARSHAD**

The poll result for Ordinary Resolution 9 which was carried as follows:-

<b>Ordinary Resolution 9</b>	<b>No. of Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>Percentage (%)</b>
Vote in Favour	9	495,783,100	99.9916
Vote Against	10	41,600	0.0084
<b>Total</b>	<b>19</b>	<b>495,824,700</b>	<b>100.0000</b>
<b>Result</b>	<b>CARRIED</b>		

The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 9 be **CARRIED**:-

**THAT** pursuant to the ESOS of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) for the eligible employees and directors of the Company and its subsidiaries (excluding dormant subsidiaries) as approved by the shareholders at the Extraordinary General Meeting held on 1 March 2021 ("**Proposed ESOS**"), approval be and is hereby given to the Board to authorise the ESOS Committee, to offer and to grant to at any time and from time to time throughout the duration of the Proposed ESOS, Encik Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad, being the Independent Non-Executive Director of the Company, Options to subscribe for up to such number of new ordinary shares in the Company ("**SAG Shares**") under the Proposed ESOS **PROVIDED THAT**:-

- (a) no allocation of more than 10% of the new SAG Shares available under the Proposed ESOS shall be made to any individual Eligible Employee who, either singly or collectively through persons connected with him/her, holds

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20% or more of the total number of issued SAG Shares (excluding treasury shares, if any); and

- (b) no allocation of more than 70% of the total number of new SAG Shares available under the Proposed ESOS shall be allocated in aggregate to the Directors and/or senior management of the Company and its subsidiaries (excluding dormant subsidiaries) who are Eligible Employees

**AND** subject always to such terms and conditions of the By-Laws and/or adjustments which may be made in accordance with the provisions of the By-Laws and Main LR, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

### 13.3 ORDINARY RESOLUTION 10

#### PROPOSED GRANTING OF ESOS OPTIONS TO MS. CHARISSA LIM ZHU AI

The poll result for Ordinary Resolution 10 which was carried as follows:-

Ordinary Resolution 10	No. of Shareholders	No. of Ordinary Shares	Percentage (%)
Vote in Favour	8	450,783,000	99.9908
Vote Against	11	41,700	0.0093
<b>Total</b>	<b>19</b>	<b>450,824,700</b>	<b>100.0001</b>
<b>Result</b>	<b>CARRIED</b>		

The Meeting (on a poll) **RESOLVED** that the following Ordinary Resolution 10 be **CARRIED**:-

“**THAT** pursuant to the Proposed ESOS, approval be and is hereby given to the Board to authorise the ESOS Committee, to offer and to grant to at any time and from time to time throughout the duration of the Proposed ESOS, Ms. Charissa Lim Zhu Ai, being the Independent Non-Executive Director of the Company, Options to subscribe for up to such number of new SAG Shares under the Proposed ESOS PROVIDED THAT:-

- (a) no allocation of more than 10% of the new SAG Shares available under the Proposed ESOS shall be made to any individual Eligible Employee who, either singly or collectively through persons connected with him/her, holds 20% or more of the total number of issued SAG Shares (excluding treasury shares, if any); and
- (b) no allocation of more than 70% of the total number of new SAG Shares available under the Proposed ESOS shall be allocated in aggregate to the Directors and/or senior management of the Company and its subsidiaries (excluding dormant subsidiaries) who are Eligible Employees

**AND** subject always to such terms and conditions of the By-Laws and/or adjustments which may be made in accordance with the provisions of the By-Laws and Main LR, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

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**14.0 CONCLUSION**

The Chairman concluded the Meeting at 11:58 a.m. and thanked all for shareholders and proxies for their participation at the Fourth Annual General Meeting.

SIGNED AS A CORRECT RECORD

-duly signed-  
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CHAIRMAN OF THE MEETING  
**KOO KIEN YOON**

Dated: 5 June 2024

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5 June 2024

Badan Pengawas Pemegang Saham Minoriti Berhad  
Level 23, Unit 23-2  
Menara AIA Sentral  
No. 30, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur

**Attention: Encik Norhisam**

Dear Sir,

**SINARAN ADVANCE GROUP BERHAD (“SAG” OR “COMPANY”)  
RE: FOURTH ANNUAL GENERAL MEETING (“FOURTH AGM”) OF SAG HELD ON  
WEDNESDAY, 5TH JUNE 2024**

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**Operational & Financial Matters**

1. Sports footwear segment

The challenging business environment in China led to a decrease in consumer spending and a shift in preferences, resulting in reduced orders from sports footwear distributors. Consequently, revenue from the sports footwear segment declined by RM14.1 million or 39.0% in FYE2023 compared to FYE2022 (Page 20 of AR2023).

During the year under review, the foot wear distributorship business model adopted by the Group remained unchanged (Page 19 of AR2023).

- a) To what extent will the abovementioned factors continue impacting this segment's top line in FYE2024?

**Answer:** The factors leading to a decline in the sports footwear segment's revenue are likely to continue impacting the top line in FYE2024, given the current economic climate in China. Consumer spending is projected to remain subdued, and the shift in preferences could signify a longer-term trend rather than a temporary dip. Unless there is a significant economic recovery or a strategic pivot that aligns better with consumer preferences, the segment might continue to experience pressure on its revenues.

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- b) Should the segment consider fine-tuning its distributorship business model amid the current challenges? If not, why?

**Answer:** Considering the current challenges, fine-tuning the distributorship business model appears necessary. Maintaining the status quo could result in continued revenue declines. The management has discussed and considered some of the potential strategies which include:

- **Enhancing Digital Presence** - Implementing an omni-channel approach that combines online and offline sales to reach a broader audience.
- **Direct-to-Consumer Sales** - Exploring a direct-to-consumer model to increase margins and have better control over the customer experience.

However, the current model still provides competitive advantages like strong relationships with key distributors or significant market reach, incremental adjustments (e.g., improving distributor incentives, enhancing product offerings) might suffice instead of an overhaul. However, the recent passing of the Chairman may delay the consideration and implementation of the aforementioned decision.

- c) What is the current order performance from the existing distributors compared to the previous period? What is the expectation of orders for FYE2024?

**Answer:** Current order volumes from existing distributors have shown a decrease of 15% compared to the previous period, indicating ongoing challenges. Distributors have reported reduced consumer demand and increased competition. For FYE2024, orders are expected to remain flat or potentially decline further unless there are strategic interventions such as targeted marketing campaigns or new product launches that resonate with consumers' changing preferences. Implementing these strategies could help mitigate the decline and stabilize or grow order volumes.

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2. Construction segment

The construction business segment witnessed an increase in revenue reached RM27.1million in FYE2023, up by RM6.4 million or 31.1% from FYE2022. Consequently, the construction segment became the primary revenue contributor to the Group, accounted for 51.8% of total revenue in FYE2023 compared to 36.4% in the previous year. This growth was fuelled by the successful completion of construction contracts following the resumption of business activities (Page 20 of AR2023).

- a) Given the increase in the segment revenue percentage contribution to Group revenue, does the segment foresee its percentage contribution will grow further in the next few years?

**Answer:** The Board anticipates further growth contributions from the Construction segment in the coming years. However, it is mindful of the challenges posed by the declining revenues in the footwear segment.

- b) What is the segment's current order book, and in view of the Group's optimism about the potential recovery of the construction business (Page 25 of AR2023), what is the potential for order book replenishment in the next two financial years?

**Answer:** At present, the Board is in the process of tendering several private construction projects, the outcomes of which are pending. We are actively exploring construction opportunities that align with the Group's strategic objectives and are financially viable.

- c) What is the update on the segment's ongoing projects? Are the projects on schedule?

**Answer:** The construction segment's ongoing projects are progressing well. Major projects are on track with key milestones being met as scheduled. However, there have been minor delays in some of the residential projects due to supply chain disruptions. The Group has implemented contingency plans to mitigate these delays, including alternative sourcing strategies and extended work hours. Overall, the projects are expected to be completed within the stipulated timelines, maintaining the segment's strong performance record.

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3. Trade and Other Current Receivables

As at reporting date, the Group has trade and other current receivables more than 60 days which past due but not impaired amounting to RM22,176,000, representing 67.58% of the Group's total trade and other current receivables of RM32,816,000 (Page 131 of AR2023).

Would the Board not be concerned with this sizeable receivable past due more than 60 days? What are the measures taken to accelerate the recovery of the debt?

**Answer:** The Board has been actively engaging with the receivables to determine the payment methods that will expedite the payment process. Reminder letters have been issued to them while the Board has assessed that these debtors still have the capacity to pay, which they require more time due to delay in payments from their own customers.

Corporate Governance Matters

4. The Company has been without a chairman since the late Mr. Ding Jian Ping passed away on 30 November 2023 (Page 2 of AR2023).

Is the Company actively looking for a suitable individual for the chairman position? If so, what is the progress and when does the Company expect to have a chairman?

**Answer:** The Company is actively seeking a suitable individual for the chairman position following the passing of the late Mr. Ding JianPing on 30 November 2023. The Board has initiated a thorough search process, engaging with executive search firms and evaluating internal and external candidates especially with experience in the shoes and construction industries. Progress is being made, and the Company expects to appoint a new chairman within the next few months.

5. Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG)

(The board comprises at least 30% women directors)

The Company has departed from applying Practice 5.9 of MCCG. The Board currently has one female director among its five members, making up 20% of the Board (Pages 6-11 of AR2023).

However, its CG Report mentioned that, among others, the Board opined that the alternate practices that it adopted are able to meet the Intended Outcome, as opposed to forceful setting



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of quick-fix targets and impractical measures to meet those targets, much to the long-term detriment of the Board and the Company (Pages 36-37 of CG Report).

Based on the Malaysia Board Diversity Study, which SAG can find the study on this website: <https://pulse.icdm.com.my/article/business-case-for-boarddiversity-correlation-to-company-performance/>, has shown that boards with at least one-third women representation correlates with 38% higher median ROE than boards with no women representation. A larger representation of women seems to suggest more inclusive boards.

Does the Company have any plans to achieve at least one-third women representation? If so, what plans, actions, and timeframe should the Company take and set to achieve this?

**Answer:** The Company is committed to enhancing board diversity and is developing plans to achieve at least one-third women representation. The actions and timeframe include:

- i. Review of Current Board Composition - Conducting a thorough review of the current board composition and identifying opportunities for introducing more female directors.
- ii. Succession Planning and Recruitment - Engaging with executive search firms to identify and recruit qualified female candidates for upcoming board vacancies
- iii. Internal Development Programs - Implementing programs to develop and promote high-potential female executives within the Company to prepare them for future board roles.
- iv. Diversity Policy Enhancement - Revising the Company's diversity policy to set clear, measurable goals for female representation on the Board.

The Company aims to achieve at least one-third women representation on the Board within the next two to three years. Progress will be reviewed periodically, and the Board will provide updates in the annual Corporate Governance Report.

6. Proposed granting of employees' share option scheme ("ESOS") Options to independent non-executive directors

In line with better corporate governance, MSWG does not encourage the practice of giving ESOS to any independent non-executive directors (INEDs) as they play the independent check and balance role (and not an executive role) in the Company and are responsible for monitoring the allocation of ESOS to employees and executive directors.

Furthermore, ESOS, by definition, refers to a scheme for employees.

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Under Resolutions 9 & 10, shareholders' approval is being sought for the proposed granting of ESOS options to Encik Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad and Ms. Charissa Lim, being the INEDs of the Company. There is the risk that the INEDs may be fixated with the share price of the Company and this may affect their impartial decision-making, which should be made without reference to share price considerations.

**Answer:** While we acknowledge the recommendation from the MSWG, the Board places significant weight on the invaluable contributions of independent non-executive directors (INEDs) to the overall success of the Group. We carefully consider their contributions when deliberating on matters such as the granting of Employees' Share Option Scheme (ESOS) options. This ensures that any decisions made align with our commitment to corporate governance while recognizing and rewarding the pivotal role played by INEDs in guiding the Company's strategic direction.

- a) Why are the ESOS Options offered and granted to the above mentioned two INEDs since they do not perform executive roles? Should not the directors' fee and other benefits they receive be adequate to compensate for the services rendered by them?

**Answer:** The INEDs are also eligible to participate in the ESOS in order to recognise the contributions and efforts made by the INEDs as they play an important role in the business performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as to enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company, who will assist in the overall strategic decisions and directions of the Group.

- b) What are the performance metrics that will be adopted by the ESOS Committee to assess the eligibility of the above mentioned two INEDs under the proposed ESOS?

**Answer:** The Board will conduct the evaluation of the performance of the Directors annually. The ESOS Committee will assess the eligibility of the abovementioned two INEDs under the proposed ESOS based on the By-Laws of ESOS and the results of the performance of the Directors who achieve above 3.0 rating prior to recommending allocation of ESOS Options to the INEDs.



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- c) Considering their independent non-executive role, what are their views on the proposed ESOS? Are they keen to subscribe to the shares if the ESOS Options are offered and granted to them?

**Answer:** As mentioned in earlier question, the contribution and efforts from the INEDs must be recognised. The INEDs often contribute their ideas and advice on the board meeting to ensure that the Group's performance can be better in near future. The ESOS options was given opportunity to every Directors and staff of the Group to subscribe which are allowed under the guidelines with the shareholders' approval. Thus, they are no comments on the proposed granting of ESOS Options to INEDs of the Company.

As mentioned earlier, the proposed of granting ESOS Options to INEDs was due to the contribution from the INEDs. The Company provides a fair environment and opportunity to every Directors and staff to subscribe the shares.

Yours sincerely,

For and on behalf of  
Sinaran Advance Group Berhad

-duly signed-

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Koo Kien Yoon  
Non-Independent Non-Executive Director