

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

This Circular has been reviewed by Sierac Corporate Advisers Sdn. Bhd., being the Adviser to the Company for the Proposed Capital Reduction (as defined herein).



**SINARAN**  
advance

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED REDUCTION OF UP TO RM33,600,000 OF THE ISSUED SHARE CAPITAL OF  
SINARAN ADVANCE GROUP BERHAD  
PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016  
("PROPOSED CAPITAL REDUCTION")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Adviser**

**sierac**  
corporate advisers

**SIERAC CORPORATE ADVISERS SDN. BHD.**  
(Registration No.: 200001013247 (515853-A))

The Extraordinary General Meeting (“**EGM**”) of Sinaran Advance Group Berhad (“**SAG**” or the “**Company**”) will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 3 June 2026 at 2:00 p.m. or at any adjournment thereof.

The Notice of EGM together with the Form of Proxy, administrative guides, and this Circular are available at the Company’s website at [www.sinaranadvance.com.my](http://www.sinaranadvance.com.my) or Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com). Please follow the procedures provided in the administrative guides for the EGM in order for the registration and voting process for the EGM.

If you are unable to attend/participate in the EGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) must be deposited at the Share Registrar’s office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or email to [sharereg@prosec.com.my](mailto:sharereg@prosec.com.my) not less than 48 hours before the date and time for holding the EGM indicated below. The completion and lodging of the Form of Proxy will not preclude a shareholder from attending and voting at the EGM should the shareholder subsequently wish to do so and in such an event, the Form of Proxy shall be deemed to have been revoked.

Last date and time for lodging the Form of Proxy : Monday, 1 June 2026 at 2.00 p.m.  
Date and time of the EGM : Wednesday, 3 June 2026 at 2.00 p.m.

This Circular is dated 30 April 2026.

## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof
Board	:	Board of Directors of SAG
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
Circular	:	This circular to shareholders dated 30 April 2026 in relation to the Proposed Capital Reduction
Director(s)	:	A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
EGM	:	Extraordinary general meeting of SAG
EPS/(LPS)	:	Earnings/(Losses) per Share
ESOS	:	Existing employees' share options scheme of the Company which was effective on 11 February 2022 for a period of 5 years
ESOS Option(s)	:	Options which may be granted under the ESOS pursuant to the By-laws, where each holder of the ESOS Options can subscribe for 1 new Share for every 1 ESOS Option held
FYE	:	Financial year ended/ending 31 December
GP	:	Gross profit
High Court	:	High Court of Malaysia
KSSL	:	K-Star Sports Limited (Registration No.: 200820976H))
LAT	:	Loss after tax
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
LPD	:	10 April 2026, being the latest practicable date prior to the printing of this Circular
Maximum Scenario	:	Assuming that:  (i) all the 457,480,739 outstanding Warrants are exercised into new Shares at the exercise price of RM0.1200 prior to the completion of the Proposed Capital Reduction; and  (ii) all the 21,644,000 outstanding ESOS Options are exercised into new Shares at the exercise price of RM0.0200 and no new ESOS Options are granted prior to the completion of the Proposed Capital Reduction

## DEFINITIONS *(Cont'd)*

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Minimum Scenario	: Assuming that:
	(i) none of the 457,480,739 outstanding Warrants are exercised into new Shares prior to the completion of the Proposed Capital Reduction; and
	(ii) none of the 21,644,000 outstanding ESOS Options are exercised into new Shares and no new ESOS Options are granted prior to the completion of the Proposed Capital Reduction
NA	: Net assets attributable to the shareholders of the Company
Proposed Capital Reduction	: Proposed reduction of up to RM33,600,000 of the issued share capital of SAG pursuant to Section 117 of the Act
Registrar of Companies	: The registrar designated as Chief Executive Officer of the Companies Commission of Malaysia
RM and sen	: Ringgit Malaysia and sen, respectively
SAG or the Company	: Sinaran Advance Group Berhad (Registration No.: 202001007513 (1363833-T))
SAG Group or the Group	: Collectively, SAG and its subsidiaries
SAG Share(s) or the Share(s)	: Ordinary shares in SAG
SCA or the Adviser	: Sierac Corporate Advisers Sdn. Bhd. (Registration No.: 200001013247 (515853-A))
Share Capital Reduction 2024	: The previous Share Capital Reduction exercise for the reduction of RM68.00 million of the issued share capital of the Company pursuant to Section 116 of the Act
Warrant(s)	: 457,480,739 outstanding warrants 2022/2027 in SAG expiring on 6 April 2027. Each Warrant 2022/2027 holder is entitled the right to subscribe for 1 new Shares at an exercise price of RM0.1200

All references to “you” in this Circular are to the shareholders of SAG.

In this Circular, words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by the Company, such as in the quarterly results or annual reports of the Company (as the case may be), is due to rounding.

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## EXECUTIVE SUMMARY

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**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION CONTAINED IN THE MAIN CONTENT OF THIS CIRCULAR. PLEASE READ THE ENTIRE CIRCULAR CAREFULLY FOR FURTHER DETAILS ON THE PROPOSED CAPITAL REDUCTION BEFORE VOTING AT THE FORTHCOMING EGM.**

<b>PROPOSED CAPITAL REDUCTION</b>	
<b>Details of the Proposed Capital Reduction</b>	<p>: The Proposed Capital Reduction entails the reduction of the issued share capital of the Company pursuant to Section 117 of the Act via the cancellation of the Company's issued share capital, which is lost and unrepresented by available assets of up to RM33,600,000. The corresponding credit of up to RM33,600,000 arising from such cancellation will be used to set off against the accumulated losses of the Company as permitted by the relevant and applicable laws, the Listing Requirements as well as the Company's Constitution.</p> <p>Please refer to <b>Section 2</b> of this Circular for further details of the Proposed Capital Reduction.</p>
<b>Rationale for the Proposed Capital Reduction</b>	<p>: The Proposed Capital Reduction will enable the Company and the Group to rationalise their financial positions by reducing the accumulated losses of the Company. This is expected to enhance both the Company's and the Group's credibility with, amongst others, its bankers, customers, suppliers and investors.</p> <p>Please refer to <b>Section 3</b> of this Circular for further information on the rationale for the Proposed Capital Reduction.</p>
<b>Approvals required</b>	<p>: The Proposed Capital Reduction is subject to the approval being obtained from the shareholders of SAG at the EGM to be convened.</p> <p>Please refer to <b>Section 5</b> of this Circular for further information.</p>
<b>Inter-conditionality</b>	<p>: The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.</p> <p>Please refer to <b>Section 6</b> of this Circular for further information.</p>
<b>Interest of Directors, major shareholders, chief executive and/or persons connected with them</b>	<p>: None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and indirect, in the Proposed Capital Reduction.</p> <p>Please refer to <b>Section 8</b> of this Circular for further information.</p>
<b>Board's recommendation</b>	<p>: The Board, after having considered all aspects of the Proposed Capital Reduction, including but not limited to the rationale and effects of the Proposed Capital Reduction, is of the opinion that the Proposed Capital Reduction is in the best interest of the Company.</p> <p>Accordingly, the Board recommends that you <b>vote in favour</b> of the special resolution pertaining to the Proposed Capital Reduction to be tabled at the Company's forthcoming EGM.</p> <p>Please refer to <b>Section 9</b> of this Circular for further information.</p>



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

**Registered Office:**  
DF2-09-02, Level 9, Persoft Tower  
6B, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor Darul Ehsan

30 April 2026

## **BOARD OF DIRECTORS**

Dato' Nik Ismail Bin Dato' Nik Yusoff (*Independent Non-Executive Chairman*)  
Koo Kien Yoon (*Non-Independent Non-Executive Director*)  
Chuah Hoon Hong (*Independent Non-Executive Director*)  
Ahmad Nasiruddin Bin Harun (*Independent Non-Executive Director*)  
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad (*Independent Non-Executive Director*)  
Charissa Lim Zhu Ai (*Independent Non-Executive Director*)

## **To: Shareholders of SAG**

Dear Sir/Madam,

## **PROPOSED CAPITAL REDUCTION**

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### **1. INTRODUCTION**

On 7 April 2026, SCA had, on behalf of the Board, announced that the Company proposed to undertake the Proposed Capital Reduction.

Further details of the Proposed Capital Reduction are set out in the ensuing sections of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED CAPITAL REDUCTION AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD ON THE PROPOSED CAPITAL REDUCTION AS WELL AS TO SEEK YOUR APPROVAL FOR THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION AT THE FORTHCOMING EGM.**

## 2. DETAILS OF THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction entails the reduction of the issued share capital of the Company pursuant to Section 117 of the Act via the cancellation of the Company's issued share capital, which is lost and unrepresented by available assets of up to RM33,600,000. The corresponding credit of up to RM33,600,000 arising from such cancellation will be used to set off against the accumulated losses of the Company as permitted by the relevant and applicable laws, the Listing Requirements as well as the Company's Constitution. The quantum of capital reduction of up to RM33,600,000 was determined by the Board after taking into consideration the Group's accumulated losses of approximately RM33,612,000 based on the latest audited consolidated financial statements of the Company for the FYE 2025.

As at the LPD, the Company has:

- (i) an issued share capital of RM46,702,032\*, comprising 1,050,961,482 SAG Shares;
- (ii) 457,480,739 outstanding Warrants at the exercise price of RM0.1200; and
- (iii) 21,644,000 outstanding ESOS Options at the exercise price of RM0.0200.

**Note:**

\* Include the amount of approximately RM0.56 million, being the fair value of 136,000,000 ESOS Options granted to certain eligible employees and directors of the Group on 20 June 2025, recognised in share capital due to accounting treatment.

As at the LPD, the Company does not have any treasury shares and has undertaken not to grant any further ESOS Options until the completion of the Proposed Capital Reduction.

For illustrative purposes only, the pro forma effects of the Proposed Capital Reduction on the accumulated losses of the SAG Group based on the latest audited consolidated financial statements of SAG Group for the FYE 2024 and FYE 2025 are set out below:

	<b>Audited</b>			
	<b>As at 31 December 2024</b>		<b>As at 31 December 2025</b>	
	<b>Company</b>	<b>Group</b>	<b>Company</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Accumulated losses	(29,671)	(25,611)	(33,612)	(31,869)
Add:				
Credit arising from the Proposed Capital Reduction	33,600	33,600	33,600	33,600
Less:				
Estimated expenses for the Proposed Capital Reduction	(120)	(120)	(120)	(120)
<b>Resultant retained earnings/ (accumulated losses)</b>	<b>3,809</b>	<b>7,869</b>	<b>(132)</b>	<b>1,611</b>

The summary and commentaries of the financial information of the Group for the audited FYE 2022, FYE 2023, FYE 2024 and FYE 2025 are set out in **Appendix I** of this Circular.

Subject and subsequent to the approval of the Proposed Capital Reduction by the shareholders of the Company at the forthcoming EGM to be convened, the Proposed Capital Reduction will be effective when the Registrar of Companies has recorded the information lodged in the appropriate register in accordance with Section 119 of the Act. An immediate announcement will be made on the effective date of the Proposed Capital Reduction.

For the avoidance of doubt, the Proposed Capital Reduction will not result in:

- (a) any adjustment to the:
  - (i) market price of SAG Shares;
  - (ii) market price and exercise price of outstanding Warrants; and
  - (iii) market price and exercise price of outstanding ESOS Options;
- (b) any change in the total number of SAG Shares in issue or the number of SAG Shares held by the Company's existing shareholders, the number outstanding Warrants and the number of outstanding ESOS Options;
- (c) any payment to the Company's shareholders; and
- (d) any cash outflow or change in the NA of SAG Group, save for the estimated expenses of approximately RM0.12 million to be incurred in relation to the Proposed Capital Reduction.

## 2.1 Details of Share Capital Reduction 2024

On 7 October 2024, the Company completed the Share Capital Reduction 2024. The details on the Share Capital Reduction 2024 including and not limited to the accumulated losses sum, total credit arising from the exercise and the resultant retained earnings at the material time as below:

	<b>Audited</b>		<b>Unaudited</b>	
	<b>As at 31 December 2022</b>		<b>As at 30 September 2023</b>	
	<b>Company</b>	<b>Group</b>	<b>Company</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Accumulated losses) / retained earnings	(67,917)	26,106	(69,205)	21,863
Add:				
Credit arising from the Share Capital Reduction	68,000	68,000	68,000	68,000
Less:				
Estimated expenses for the Share Capital Reduction	(95)	(95)	(95)	(95)
<b>Resultant (accumulated losses)/ retained earning</b>	<b>(12)</b>	<b>94,011</b>	<b>(1,300)</b>	<b>89,768</b>

The continued accumulation of losses that has prompted the Company to undertake the Proposed Capital Reduction after the Share Capital Reduction 2024 is primarily driven by a combination of non-cash accounting adjustments and operational losses following the disposal of KSSL in FYE 2024, as outlined below:

(a) Transfer of merger reserve and statutory common reserve

The Company transferred a merger deficit reserve <sup>(1)</sup> of RM107.30 million and a statutory common reserve <sup>(2)</sup> of RM15.23 million to retained earnings during FYE 2024, following the disposal of KSSL. The merger deficit reserve was originally created by the acquisition of KSSL. Following the disposal of KSSL, both the merger deficit reserve and the statutory common reserve were required to be transferred to retained earnings. This net transfer further dragged down the retained earnings balance, significantly compounding the Company's accumulated losses for the FYE 2024.

**Notes:**

(1) *Merger deficit reserve represents the difference between the consideration paid and the paid-in capital of the subsidiaries when business combination of entities under common control was accounted for by applying the pooling-of interest method.*

(2) *Statutory common reserve was derived in accordance with the relevant laws and regulations of People's Republic of China.*

(b) Loss from discontinued operations

The Company recorded a loss of RM16.46 million in FYE 2024 from the discontinued operation, KSSL. The Company had on 2 December 2024 disposed of its entire equity interest in KSSL.

In light of the above factors, the Proposed Capital Reduction is being undertaken to eliminate the accumulated losses of the Company to better reflect its current financial position and to enhance its future capital management flexibility.

Following the disposal of KSSL and the recognition of the associated losses and non-cash adjustments, the Group has taken steps to streamline its operations and refocus on its core construction business. The Group remains cautious given the challenging conditions in the construction sector. Moving forward, the Group will continue focus on strengthening its tender pipeline to secure high-quality projects, enhancing cost management and operational efficiency across all business unit and leveraging technology and innovative construction methods to improve productivity and project delivery with the aim to safeguard its financial position and profitability.

### **3. RATIONALE FOR THE PROPOSED CAPITAL REDUCTION**

The Proposed Capital Reduction will enable the Company and the Group to rationalise their financial positions by reducing the accumulated losses of the Company. This is expected to enhance both the Company's and the Group's credibility with, amongst others, its bankers, customers, suppliers, and investors.

### **4. EFFECTS OF THE PROPOSED CAPITAL REDUCTION**

For illustration purposes, the pro forma effects of the Proposed Capital Reduction are presented based on the following scenarios:

Minimum scenario : Assuming that:

- (i) none of the 457,480,739 outstanding Warrants are exercised into new Shares prior to the completion of the Proposed Capital Reduction; and

- (ii) none of the 21,644,000 outstanding ESOS Options are exercised into new Shares and no new ESOS Options are granted prior to the completion of the Proposed Capital Reduction

Maximum scenario : Assuming that:

- (i) all the 457,480,739 outstanding Warrants are exercised into new Shares at the exercise price of RM0.1200 prior to the completion of the Proposed Capital Reduction; and
- (ii) all the 21,644,000 outstanding ESOS Options are exercised into new Shares at the exercise price of RM0.0200 and no new ESOS Options are granted prior to the completion of the Proposed Capital Reduction

#### 4.1 Share capital

The pro forma effects of the Proposed Capital Reduction on the issued share capital of the Company are as follows:

	Minimum scenario		Maximum scenario	
	No. of Shares '000	Share capital RM'000	No. of Shares '000	Share capital RM'000
Issued share capital as at the LPD	1,050,961	46,702	1,050,961	46,702
To be issued assuming full exercise of the outstanding Warrants	-	-	(1) 457,481	(1) 54,898
To be issued assuming full exercise of the outstanding ESOS Options	-	-	(2) 21,644	(2) 827
	<u>1,050,961</u>	<u>46,702</u>	<u>1,530,086</u>	<u>102,427</u>
Less:				
To be cancelled pursuant to the Proposed Capital Reduction	-	(33,600)	-	(33,600)
<b>Issued share capital after the Proposed Capital Reduction</b>	<b><u>1,050,961</u></b>	<b><u>13,102</u></b>	<b><u>1,530,086</u></b>	<b><u>68,827</u></b>

**Notes:**

- (1) Assuming full exercise of all outstanding Warrants at the exercise price of RM0.1200 per Warrants.
- (2) Assuming full exercise of all outstanding ESOS Options at the exercise price of RM0.0200 per ESOS Option and after accounting for the reversal of the ESOS Options reserve of approximately RM0.39 million.

#### 4.2 Substantial shareholders' shareholdings

The Proposed Capital Reduction will not have any effect on the substantial shareholders' shareholdings in the Company.

### 4.3 Earnings and EPS

The Proposed Capital Reduction will not have any material effect on the Group's earnings and EPS for the FYE 2026.

### 4.4 NA, NA per Share and gearing

The pro forma effects of the Proposed Capital Reduction on the NA, NA per Share and gearing of the Group based on the audited consolidated financial statements of the Group as at 31 December 2025 and on the assumption that the Proposed Capital Reduction had been effected on that date are as follows:

#### Minimum Scenario

	<b>Audited as at 31 December 2025</b>	<b>After the Proposed Capital Reduction</b>
	<b>RM'000</b>	<b>RM'000</b>
Share capital	46,702	13,102
Share option reserve	394	394
(Accumulated losses)/retained earnings	(31,869)	<sup>(1)</sup> 1,611
<b>Total equity</b>	<b>15,227</b>	<b>15,107</b>
No. of Shares in issue ('000)	1,050,961	1,050,961
NA per Share (RM)	0.01	0.01
Total borrowings (RM'000)	89	89
Gearing (times)	0.01	0.01

#### **Note:**

- (1) After setting off RM33.60 million from the Company's accumulated losses due to the cancellation of the Company's issued share capital and deducting the estimated expenses of approximately RM0.12 million in relation to the Proposed Capital Reduction.

#### Maximum Scenario

	<b>Audited as at 31 December 2025</b>	<b>(I) After assuming full exercise of the outstanding Warrants and outstanding ESOS Options</b>	<b>(II) After (I) and the Proposed Capital Reduction</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	46,702	<sup>(1)</sup> 102,427	68,827
Share option reserve	394	-	-
(Accumulated losses)/retained earnings	(31,869)	(31,869)	<sup>(2)</sup> 1,611
<b>Total equity</b>	<b>15,227</b>	<b>70,558</b>	<b>70,438</b>
No. of Shares in issue ('000)	1,050,961	1,530,086	1,530,086
NA per Share (RM)	0.01	0.05	0.05
Total borrowings (RM'000)	89	89	89
Gearing (times)	0.01	*	*

**Notes:**

(1) *Assuming full exercise of the following:*

- (i) *457,480,739 outstanding Warrants are exercised into new Shares at the exercise price of RM0.1200; and*
- (ii) *21,644,000 outstanding ESOS Options are exercised into new Shares at the exercise price of RM0.0200 and accounting for the reversal of share option reserve of approximately RM0.39 million*

(2) *After setting off RM33.60 million from the Company's accumulated losses due to the cancellation of the Company's issued share capital and deducting the estimated expenses of approximately RM0.12 million in relation to the Proposed Capital Reduction.*

\* *Negligible*

**4.5 Convertible securities**

Save for the 457,480,739 outstanding Warrants and 21,644,000 outstanding ESOS Options granted by the Company, the Company does not have any other convertible securities and treasury shares as at the LPD. The Proposed Capital Reduction will not result in any adjustment to the market price and exercise price and/or the number of the outstanding Warrants and ESOS Options.

**5. APPROVALS REQUIRED**

The Proposed Capital Reduction is subject to the approval being obtained from the shareholders of SAG at the EGM to be convened.

For the avoidance of doubt, the Proposed Capital Reduction is not subject to the approval of the High Court as it is carried out pursuant to Section 117 of the Act.

**6. INTER-CONDITIONALITY**

The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

**7. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed Capital Reduction, there are no other corporate exercises which have been announced but are pending completion as at the date of this Circular.

**8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and indirect, in the Proposed Capital Reduction.

**9. DIRECTORS' STATEMENT AND RECOMMENDATION**

After having considered all aspects of the Proposed Capital Reduction, including but not limited to the rationale and effects of the Proposed Capital Reduction, the Board is of the opinion that the Proposed Capital Reduction is in the best interest of the Company and accordingly recommends that you to vote in favour of the special resolution in respect of the Proposed Capital Reduction to be tabled at the forthcoming EGM.

## 10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Capital Reduction is expected to be completed in the third (3<sup>rd</sup>) quarter of 2026. The indicative timeline of events in relation to the Proposed Capital Reduction is set out as follows:

<u>Tentative timeline</u>	<u>Events</u>
June 2026	EGM
July 2026	<ul style="list-style-type: none"><li>• Lodgement of documents with the Registrar of Companies for the Proposed Capital Reduction</li><li>• Effective date of the Proposed Capital Reduction <sup>(1)</sup></li></ul>

**Note:**

(1) *Subject to receipt of Notice of Confirming Reduction of Share Capital from the Registrar of Companies.*

## 11. EGM

The EGM will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on the date and time indicated below or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the special resolution, with or without any modifications, to give effect to the Proposed Capital Reduction.

Day, date and time of the EGM : Wednesday, 3 June 2026 at 2.00 p.m. or at any adjournment thereof

If you are unable to attend/participate in the EGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) must be deposited at the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or email to [sharereg@prosec.com.my](mailto:sharereg@prosec.com.my) not less than 48 hours before the date and time of the EGM. The completion and lodging of the Form of Proxy will not preclude a shareholder from attending and voting at the EGM should the shareholder subsequently wish to do so and in such an event, the Form of Proxy shall be deemed to have been revoked.

## 12. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**SINARAN ADVANCE GROUP BERHAD**

**Koo Kien Yoon**  
Non-Independent Non-Executive Director

## APPENDIX I - HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The summary of the financial information of the Group for the audited FYE 2022, FYE 2023, FYE 2024 and FYE 2025 are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	56,913	52,385	19,938	10,633
GP	3,810	1,187	301	804
Loss before tax	(8,266)	(7,547)	(20,207)	(6,258)
LAT attributable to the owners of the Company	(8,295)	(7,438)	(20,207)	(6,258)
Total borrowings <sup>(1)</sup>	28,215	24,947	363	89
Shareholders' funds/NA	41,053	34,404	17,125	15,227
Share capital	110,741	110,741	42,741	46,702
No. of Shares in issue ('000)	914,961	914,961	914,961	<sup>(2)</sup> 1,050,961
Weighted average number of Shares in issue ('000)	908,020	914,961	914,961	992,835
NA per Share (sen) <sup>(3)</sup>	4.49	3.76	1.87	1.45
Basic LPS (sen) <sup>(4)</sup>	(0.91)	(0.81)	(2.21)	(0.63)
Current ratio (times)	1.17	1.04	30.12	4.97
Gearing ratio (times)	0.69	0.73	0.02	0.01

### Notes:

- (1) Total borrowings comprise borrowings and lease liabilities.
- (2) The increase in number of Shares in issue for FYE 2025 was attributable to the issuance of 136,000,000 new Shares pursuant to the exercise of ESOS Options at the exercise price of RM0.025 per ESOS Option.
- (3) Computed by dividing the shareholders' funds/NA with the total number of Shares in issue in the respective FYE.
- (4) Computed by dividing the LAT attributable to owners of the Company with the weighted average number of Shares in issue for the respective FYE.

### Commentaries:

#### (i) Comparison between FYE 2022 and FYE 2023

The Group's revenue decreased by RM4.52 million or 7.94% from RM56.91 million in FYE 2022 to RM52.39 million in FYE 2023. The Group's GP decreased by RM2.62 million or 68.77% from RM3.81 million in FYE 2022 to RM1.19 million in FYE 2023. The decrease in revenue and GP was mainly due to the decline in sports footwear segment. The challenging business environment in China led to decrease in consumer spending and a shift in preferences, resulting in reduced orders from sports footwear distributors.

Despite this, the Group recorded an LAT of RM7.44 million in FYE 2023, representing an improvement of RM0.86 million or 10.36% from the LAT of RM8.30 million in FYE 2022. The improvement in the LAT was mainly attributable to the absence of impairment loss on trade receivable of RM2.71 million and lower interest expenses of RM0.71 million incurred in FYE 2023.

**(ii) Comparison between FYE 2023 and FYE 2024**

The Group's revenue decreased by RM32.45 million or 61.94% from RM52.39 million in FYE 2023 to RM19.94 million in FYE 2024. The Group recorded a GP of RM0.30 million in FYE 2024, representing a decline of RM0.89 million or 74.79% from RM1.19 million in FYE 2023. The decrease in revenue was primarily attributed to lower contributions from the sports footwear and construction segment.

The sports footwear segment faced challenging market conditions in China where consumer spending has reduced and market preferences have shifted. In response, on 2 December 2024, the Company entered into a Share Sale Agreement to divest its entire 100% stake in KSSL, Fujian Jinjiang Dixing Shoes Plastics Co., Ltd., and Jinjiang Saifeite Shoes Plastics Co., Ltd.

The Group recorded an LAT of RM20.21 million in FYE 2024, representing an increase of RM12.77 million or 171.64% compared to the LAT of RM7.44 million in FYE 2023. The higher LAT was primarily driven by impairments on property, plant, and equipment of RM7.97 million and fair value loss of RM2.11 million incurred in FYE 2024.

**(iii) Comparison between FYE 2024 and FYE 2025**

The Group's revenue decreased by RM9.31 million or 46.69% from RM19.94 million in FYE 2024 to RM10.63 million in FYE 2025. The decrease in revenue was primarily attributed to absence of the sports footwear segment and lower contribution from construction segment. This was primarily attributable to slower project progress, lesser business activity and margin pressures arising from the competitive market environment. Conversely, the Group recorded a GP of RM0.80 million in FYE 2025, representing an increase of RM0.50 million or 166.67% from RM0.30 million in FYE 2024, indicating an improvement in overall margins.

Despite this, the Group recorded an LAT of RM6.26 million in FYE 2025, representing an improvement of RM13.95 million or 69.03% compared to the LAT of RM20.21 million in FYE 2024. The improvement in the LAT was primarily due to the absence of impairments on property, plant, and equipment of RM7.97 million in FYE 2025.

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## APPENDIX II - ADDITIONAL INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading or incorrect.

### 2. CONSENT

SCA, as the Adviser for the Proposed Capital Reduction, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

### 3. CONFLICT OF INTEREST

As at the LPD, SCA has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposed Capital Reduction.

### 4. MATERIAL CONTRACTS

As at the LPD, the Board confirmed that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within two (2) years immediately preceding the date of this Circular.

### 5. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, the Board confirmed that the Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of the Group.

### 6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of SAG at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan during normal business hours from 8.30 a.m. to 5.30 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of SAG;
- (ii) SAG's audited consolidated financial statements for the FYE 2023, FYE 2024 and FYE 2025; and
- (iii) the letter of consent and conflict of interest as referred to in **Sections 2 and 3** of this **Appendix**.

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**SINARAN**  
advance

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

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of Sinaran Advance Group Berhad (“**SAG**” or the “**Company**”) will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Wednesday, 3 June 2026 at 2.00 p.m.**, or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications:

### **SPECIAL RESOLUTION**

**PROPOSED REDUCTION OF UP TO RM33,600,000 OF THE ISSUED SHARE CAPITAL OF SAG PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 (“ACT”) (“PROPOSED CAPITAL REDUCTION”)**

“**THAT** subject to the approvals of the relevant authorities and/or relevant parties, where required, approval be and is hereby given to the Company to implement the Proposed Capital Reduction entailing the reduction of the issued share capital of the Company pursuant to Section 117 of the Act via the cancellation of the Company’s issued share capital, which is lost and unrepresented by available assets of up to RM33,600,000. The corresponding credit of up to RM33,600,000 arising from such cancellation will be used to set off against the accumulated losses of the Company as permitted by the relevant and applicable laws, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the Company’s Constitution.

**AND THAT** the Board be and is hereby authorised with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authority/authorities to give effect to the Proposed Capital Reduction, and to take all such steps as they may deem necessary or expedient in the best interests of the Company to implement, finalise and give full effect to the Proposed Capital Reduction.

**BY ORDER OF THE BOARD**  
**SINARAN ADVANCE GROUP BERHAD**

**WONG YUET CHYN (MAICSA 7047163)**  
**(SSM PC No. 202008002451)**  
**ADELINE TANG KOON LING (LS0009611)**  
**(SSM PC No. 202008002271)**  
Company Secretaries

Selangor Darul Ehsan  
Date: 30 April 2026

## NOTES:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office of the Company situated at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or email to [shareereg@prosec.com.my](mailto:shareereg@prosec.com.my) or fax to 03-3008 1124 not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 May 2026, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting process for the general meeting.
10. Personal Data Privacy

By registering for the meeting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the meeting and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the meeting; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (which includes any adjournments thereof); and (c) for the Company's (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively the Purpose); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.



# SINARAN advance

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

## FORM OF PROXY

<b>CDS Account No.</b>																				
<b>No. of Shares Held</b>																				

\*I/We.....  
(FULL NAME IN BLOCK LETTERS)

(\*NRIC No./Passport No./Company Registration No .....)  
of.....  
(FULL ADDRESS)

Email Address ..... Contact No .....

being a \*member/members of **SINARAN ADVANCE GROUP BERHAD**, hereby appoint

<b>Name of Proxy</b>	<b>NRIC No./Passport No.</b>	<b>% of Shareholding to be Represented</b>
<b>Address</b>		
<b>Email Address</b>	<b>Contact No.</b>	

\*and/or failing \*him/her

<b>Name of Proxy</b>	<b>NRIC No./Passport No.</b>	<b>% of Shareholding to be Represented</b>
<b>Address</b>		
<b>Email Address</b>	<b>Contact No.</b>	

or failing him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting (“**EGM**”) of Sinaran Advance Group Berhad (“**Company**”) will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 3 June 2026 at 2.00 p.m. or at any adjournment thereof and to vote as indicated below:-

Please indicate with an “X” in the space below how you wish your votes to be cast. If no specific direction as to voting is give, the proxy will vote or abstain from voting at his/her discretion.

<b>SPECIAL RESOLUTION</b>		<b>FOR</b>	<b>AGAINST</b>
<b>1.</b>	<b>Proposed Capital Reduction</b>		

*\*Delete if not applicable*

Dated this ..... day of .....2026  
Signature(s) of member(s)



Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
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9. The members are encouraged to refer the Administrative Guide on registration and voting process for the general meeting.

**Personal Data Privacy**

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of meeting dated 30 April 2026.

Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Company Secretaries  
**SINARAN ADVANCE GROUP BERHAD**  
**Registration No. 202001007513 (1363833-T)**

DF2-09-02, Level 9, Persoft Tower  
6B, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor Darul Ehsan

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