



SAND NISKO CAPITAL BHD

(Registration No. 199501010609 (339810-A))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Sand Nisko Capital Berhad ("SNCB" or the "Company") will be held at the Conference Room, Lot 76 & 77, Kawasan Perindustrian Bukit Rambai, 75250 Melaka on Wednesday, 11 March 2020 at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED DISPOSAL BY SNCB OF ITS ENTIRE EQUITY INTEREST IN LEN CHEONG FURNITURE SDN BHD ("LCF"), ITS WHOLLY-OWNED SUBSIDIARY TO DPS REALTY SDN BHD ("DPSR") FOR A TOTAL CASH CONSIDERATION OF RM10,000,000.00 ("PROPOSED DISPOSAL")

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, the Board of Directors of SNCB ("Board") be and is hereby authorised to dispose of its entire equity interest in LCF, a wholly-owned subsidiary of SNCB to DPSR for a total consideration of RM10,000,000.00 to be satisfied entirely by cash, in accordance with the terms and conditions of the conditional sale and purchase agreement dated 27 September 2019 entered into between LCF and DPSR;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and complete the Proposed Disposal with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to complete the Proposed Disposal."

ORDINARY RESOLUTION 2

PROPOSED PRIVATE PLACEMENT OF UP TO 13,200,000 NEW ORDINARY SHARES IN SNCB ("SNCB SHARES") ("PLACEMENT SHARES") REPRESENTING UP TO 20% OF THE ISSUED SHARE CAPITAL OF SNCB TO INDEPENDENT THIRD PARTY INVESTOR(S) TO BE IDENTIFIED LATER ("PROPOSED PRIVATE PLACEMENT")

"**THAT** subject to the approvals of all relevant authorities (if any), approval be and is hereby given to the Company to allot and issue up to 13,200,000 Placement Shares representing up to 20% of the issued share capital of SNCB to independent third party investor(s) to be identified, in a single or multiple tranches within 6 months from the date the approvals of the relevant authorities are obtained, or any extended period as may be approved by Bursa Malaysia Securities Berhad ("Bursa Securities");

THAT approval be given to the Board to determine the issue price for the Placement Shares for each tranche at a later date after all the approval from the relevant authorities have been obtained, subject to the issue price for the Placement Shares not being at a discount of more than 10% of the 5-day VWAMP of SNCB Shares immediately preceding the price-fixing date;

THAT the Directors of the Company be and are hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities and in the best interest of the Company;

THAT the Placement Shares, upon allotment and issue, rank *pari passu* in all respects with the existing SNCB Shares, save and except that the Placement Shares shall not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangement as may be necessary to give effect and complete the Proposed Private Placement and to give full effect to the Proposed Private Placement with full powers to assent to any conditions, modifications, variations and/or amendments deemed necessary or expedient in the interest of the Company and/or as may be required by the relevant authorities and to take all steps and actions as they may deem necessary or expedient in order to implement, finalise and give full effect to and complete the Proposed Private Placement."

ORDINARY RESOLUTION 3

PROPOSED SPECIAL ISSUE OF UP TO 6,600,000 NEW SNCB SHARES ("SI SHARES") REPRESENTING UP TO 10% OF THE ISSUED SHARE CAPITAL OF SNCB TO DATO' SERI (DR) SOW CHIN CHUAN, JP ("DATO' SERI SOW") ("PROPOSED SPECIAL ISSUE")

"**THAT** subject to the approvals of all relevant authorities (if any), approval be and is hereby given to the Company to allot and issue up to 6,600,000 SI Shares, representing up to 10% of the issued share capital of SNCB to Dato' Seri Sow, in accordance with the terms and conditions of the conditional subscription agreement dated 27 September 2019 entered into between SNCB and Dato' Seri Sow for the Proposed Special Issue;

THAT approval be given to the Board to determine the issue price for this Proposed Special Issue to be fixed at a date to be determined and announced later. The issue price of the SI Shares shall be the issue price of the placement shares which shall be determined by the Board after receipt of all relevant approvals for the Proposed Private Placement and shall be fixed based on the five (5) day VWAMP of SNCB shares up to the date immediately prior to the price fixing date of the Proposed Private Placement, subject to a discount (if any) not more than 10%, and shall always be based on the latest issue price of the Placement Shares;

THAT the SI Shares, upon allotment and issue, rank *pari passu* in all respects with the existing SNCB Shares, save and except that the SI Shares shall not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the SI Shares;

AND THAT the Board be and is hereby authorised to do all such acts and things that are necessary to give full effect to the Proposed Special Issue with full powers to assent to any conditions, modifications, variations and/or amendments deemed necessary or expedient in the interest of the Company and/or as may be required by the relevant authorities and to take all steps and actions they consider necessary or as may be required to give full effect to and complete the Proposed Special Issue."

ORDINARY RESOLUTION 4

PROPOSED ESTABLISHMENT OF AN EMPLOYEE SHARE OPTION SCHEME ("ESOS") INVOLVING UP TO 15% OF THE ENLARGED ISSUED SHARE CAPITAL OF SNCB (AFTER THE PROPOSED PRIVATE PLACEMENT AND PROPOSED SPECIAL ISSUE) TO THE ELIGIBLE DIRECTORS AND EMPLOYEES OF SNCB AND ITS SUBSIDIARIES ("SNCB GROUP") ("PROPOSED ESOS")

"**THAT** subject to and conditional upon the approvals of all relevant authorities and persons (if any), the approval be and is hereby given for the Company to:

- (a) establish and implement the Proposed ESOS of up to 15% of the enlarged issued share capital of SNCB to the eligible directors and employees of SNCB Group (excluding dormant subsidiaries) ("**Eligible Person(s)**") to subscribe for new SNCB Shares at a pre-determined price in accordance with the by-laws governing the Proposed ESOS ("**By-Laws**");
- (b) modify and/or amend the Proposed ESOS and the By-Laws from time to time, provided that such modifications and/or amendments are permitted and are effected in accordance with the provisions of the By-Laws relating to modifications and/or amendments;
- (c) allot and issue and/or procure from time to time such number of new SNCB Shares as may be required to be issued pursuant to the exercise of the ESOS Options under the Proposed ESOS provided that the aggregate number of new SNCB Shares to be offered pursuant to the Proposed ESOS involving new issuance of SNCB Shares to be implemented by SNCB shall not at any point in time in aggregate exceed 15% of the total issued share capital of the Company (excluding treasury shares) that may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time during the duration of the Proposed ESOS; and
- (d) do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds and undertakings and to make such rules or regulations or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and terms of the By-Laws.

THAT the Board be and is hereby empowered and authorised to give effect to the Proposed ESOS with full power to consent to and to adopt any such conditions, modifications, variations and/or amendments (including adopting such modifications, variations and/or amendments to the By-Laws) as it may deem fit, necessary and/or expedient and/or as may be required by the relevant regulatory authorities and to take all steps as it may consider necessary or expedient to implement, finalise and give full effect to and in connection with the above;

THAT such new SNCB Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing SNCB Shares, except that the new SNCB Shares will not be entitled to any dividends, rights, allotments and other distributions which may be declared, made or paid to shareholders, the entitlement date of which is before the date of allotment and issue of the new SNCB Shares;

AND THAT the draft By-Laws as set out in Appendix I of the Circular to Shareholders of the Company dated 21 February 2020, which is in compliance with the Main Market Listing Requirements of Bursa Securities, be and is hereby approved and adopted."

By order of the Board
SAND NISKO CAPITAL BERHAD

Lim Li Fang
SSM Practising Certificate No. 201908001228
MAICSA 7012923
Company Secretary
Melaka

21 February 2020

Notes:

1. Every Member including Authorised Nominee and an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the Extraordinary General Meeting and that such proxy need not be a Member.
2. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's Seal or under the hand of an officer or attorney duly authorised.
4. The Proxy Form must be deposited at the registered office of the Company at 50-1, 52-1 & 54-1, Jalan BPM 2, Taman Bukit Piatu Mutiara, 75150 Melaka not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Depositors who appear in the Record of Depositors as at 3 March 2020 shall be regarded as Member of the Company entitled to attend the Extraordinary General Meeting or appoint a proxy to attend and vote on his behalf.