

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Company No.: 25583-W)

(Incorporated in Malaysia)

Summary of the key matters discussed at the 43rd Annual General Meeting of the Company held at The Board Room, Ground Floor, SCIB Building, Lot 1258, Jalan Utama, Pending Industrial Estate, 93450 Kuching, Sarawak on Thursday, 30 May 2019 at 10.00 a.m.

- 1) The Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon were laid at the AGM. Members present at the AGM were invited to raise questions which they may wish to ask on the said Audited Financial Statements.
- 2) The followings enquiries were raised by a shareholder:
 - (i) What is the future of SCIB Group?
 - (ii) Judging by the net profit margin of about 3% which is below the fixed deposit rate, would the current businesses be able to sustain?

In response to the above enquiries, YBhg. Tan Sri Chairman informed that:

- a) Management has been trying hard to expand SCIB Group;
- b) The Board of Directors ("Board") of SCIB expected the Group to breakthrough when the contract for 1PRIMA Project was awarded to SCIB's subsidiary, Carlton Garden Sdn. Bhd. Unfortunately, the joint venture had to be terminated. Currently, Management is still trying to recover the money that had been spent on the said project. The Board believes SCIB has the good chance to do so. SCIB is now exploring other joint ventures;
- c) the demand for IBS and some other products of SCIB Group is increasing and one of the break through is Pan Borneo Highway project which has made use of SCIB's products. Some of the smaller projects especially those which are undertaken by private sector, eg. shopping mall, etc., have also made use of SCIB's products. The IBS system has landed in Sarawak and the popularity is gaining. With this, it will help to boost up SCIB Group's sales and revenue;
- d) Management is optimistic that the State Government projects which were announced recently, such as Coastal Highway and infrastructure projects, etc. are good for SCIB. As such, Management will gear the Group towards that direction and to ensure that the Group is able to meet the demand in terms of the production capacity and capabilities; and
- e) SCIB Group intends to branch more into the housing development industry by providing housing components through its IBS technology. If SCIB can managed an area to develop 1,000 units of houses, then SCIB should be able to do well by supplying the building materials and; build and sell the houses. Management is working hard towards achievement of this plan.