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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 advisers immediately.

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SAUDIGOLD GROUP BERHAD
[Registration No.: 200801036832 (838172-P)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

- (I) **PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN SGB ("SGB SHARE(S)" OR "SHARE(S)") ("EXISTING SHARE(S)") HELD BY THE SHAREHOLDERS OF SGB ("SHARE CONSOLIDATION ENTITLED SHAREHOLDER(S)") INTO 1 SGB SHARE ("CONSOLIDATED SHARE(S)") ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("SHARE CONSOLIDATION ENTITLEMENT DATE") ("PROPOSED SHARE CONSOLIDATION"); AND**
- (II) **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 312,334,662 NEW SHARES ("RIGHTS SHARE(S)") TOGETHER WITH UP TO 156,167,331 FREE DETACHABLE WARRANTS C IN SGB ("WARRANT(S) C") ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 1 CONSOLIDATED SHARE HELD BY THE SHAREHOLDERS OF SGB ("RIGHTS ENTITLED SHAREHOLDER(S)"), TOGETHER WITH 1 WARRANT C FOR EVERY 2 RIGHTS SHARES SUBSCRIBED BY THE RIGHTS ENTITLED SHAREHOLDERS AT AN ISSUE PRICE AND ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED BY THE BOARD AT A LATER DATE ("RIGHTS ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE WITH WARRANTS").**

(COLLECTIVELY, THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



M & A SECURITIES SDN BHD
[Registration No.: 197301001503 (15017-H)]
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company ("EGM") will be conducted on a hybrid mode held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Main Venue") and virtual basis through live streaming and online remote participation and voting facilities operated by InsHub Sdn Bhd via <https://bit.ly/SaudiGold-EGM> ("Online Meeting Platform") on Tuesday, 7 April 2026 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions, with or without any modifications, to give effect to the Proposals.

The Notice of EGM and the Form of Proxy are enclosed in this Circular. If you decide to appoint a proxy or proxies to attend and vote on your behalf at the EGM, you must complete, sign and return the Form of Proxy and deposit it 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 fax to 03-3008 1124 or email to sharereq@prosec.com.my not less than 24 hours before the date and time indicated below or at any adjournment thereof. The completion and lodging of the Form of Proxy will not preclude you from attending and voting at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Day, date and time of the EGM : Tuesday, 7 April 2026 at 10.00 a.m.
Last day, date and time for lodging Form of Proxy : Monday, 6 April 2026 at 10.00 a.m.

This Circular is dated 12 March 2026

DEFINITIONS

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

Abridged Prospectus or AP	:	The abridged prospectus and its accompanying documents to be issued by SGB in connection with the Proposed Rights Issue with Warrants
Act	:	The Companies Act 2016, as amended from time to time, and any re-enactments thereof
AGM	:	Annual General Meeting
Board	:	Board of Directors of SGB
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd [Registration No.: 198701006854 (165570-W)]
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
Central Depositories Act	:	Securities Industry (Central Depositories) Act, 1991
Circular	:	This circular to shareholders of SGB dated 12 March 2026
Code	:	Malaysian Code on Take-Overs and Mergers, 2016
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
Consolidated Share(s)	:	SGB Share(s) after the completion of Proposed Share Consolidation
Constitution	:	Constitution of SGB
Deed Poll C	:	The deed poll to be executed by our Company constituting the Warrants C and governing the rights of the Warrant Holders
Director(s)	:	The director(s) of SGB and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
EGM	:	Extraordinary General Meeting
EPS	:	Earnings per share
Existing Share(s)	:	Issued share capital of RM179,457,770 comprising 1,561,673,319 SGB Shares (excluding Treasury Shares) prior to the completion of the Proposed Share Consolidation
FDCSB	:	Focus Dynamics Centre Sdn Bhd [Registration No.: 199901003144 (0478044-A)]
FPE	:	3-month financial period(s) ended/ending 31 October, as the case may be
FYE	:	Financial year ended/ending 31 July, as the case may be
HORECA	:	Hotel, restaurant and café

DEFINITIONS (Cont'd)

IMR Report	:	Independent market research report on the frozen processed food industry in Malaysia dated 10 March 2026 prepared by SMITH ZANDER
Indicative Exercise Price	:	RM0.0950 per Warrant C, being the indicative exercise price for the Warrants C used for illustrative purposes
Indicative Rights Issue Price	:	RM0.0950 per Rights Share, being the indicative issue price for Rights Shares used for illustrative purposes
Issue Date	:	Issue date of the Warrants C
LAT	:	Loss after tax
LBT	:	Loss before tax
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	25 February 2026, being the latest practicable date prior to the printing of this Circular
LPS	:	Loss per Share
M & A Securities or Principal Adviser	:	M & A Securities Sdn Bhd [Registration No.: 197301001503 (15017-H)]
Main Market	:	Main Market of Bursa Securities
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: (i) 10.00% or more of the total number of voting shares in the Company; or (ii) 5.00% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company For the purposes of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act
Market Day	:	Any day on which Bursa Securities is open for trading in securities, which may include a Special Holiday
Maximum Subscription Level	:	The issuance of 312,334,662 Rights Shares assuming the Rights Entitled Shareholders and/or their renounee(s) and/or their transferee(s), where applicable, subscribe in full for their respective entitlements of the Rights Shares pursuant to the Proposed Rights Issue with Warrants
Minimum Subscription Level	:	Minimum subscription level to raise minimum proceeds of RM8.90 million from the Proposed Rights Issue with Warrants which is derived from the Undertaking and Underwriting
NA	:	Net assets

DEFINITIONS (Cont'd)

- OEM : Original equipment manufacturer
- Official List : The official list of the Main Market of Bursa Securities
- PAT : Profit after tax
- PBT : Profit before tax
- Person(s) Connected : In relation to a Director or a Major Shareholder, means such person who falls under any of the following categories:
- (i) a family member of the Director or Major Shareholder (for the purpose of this definition, "family" means and includes spouse, parent, child including an adopted child and stepchild, brother or sister, spouse of child including an adopted child and step-child, and spouse of brother or sister);
 - (ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director and Major Shareholder, is the sole beneficial owner;
 - (iii) a partner of the Director or Major Shareholder, or a partner of a person connected with that Director or Major Shareholder;
 - (iv) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (v) a person, or where a person is a body corporate, the body corporate and its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or information, to act;
 - (vi) a body corporate in which the Director or Major Shareholder, and/or persons connected with him are entitled to exercise or control the exercise of, not less than 20.00% of the votes attached to voting shares in the body corporate; or
 - (vii) a body corporate which is a related corporation (for the purpose of this definition, "related corporation" means a corporation which is the holding company of another corporation; a subsidiary of another corporation; or a subsidiary of the holding company of another corporation) of the Director or Major Shareholder
- Proposals : Collectively, the Proposed Share Consolidation and Proposed Rights Issue with Warrants

DEFINITIONS (Cont'd)

Proposed Rights Issue with Warrants	:	Proposed renounceable rights issue of up to 312,334,662 Rights Shares together with up to 156,167,331 Warrants C in SGB on the basis of 2 Rights Shares for every 1 Consolidated Share held by the Rights Entitled Shareholders, together with 1 Warrant C for every 2 Rights Shares subscribed by the Rights Entitled Shareholders at an issue price and on the Rights Entitlement Date
Proposed Share Consolidation	:	Proposed consolidation of every 10 Existing Shares held by the Share Consolidation Entitled Shareholder(s) into 1 Consolidated Share on the Share Consolidation Entitlement Date
PSSB	:	Perusahaan Saudee Sdn Bhd [Registration No.: 199701004462 (419958-U)]
Record of Depositors	:	A record of securities holders established and maintained by Bursa Depository under the rules of depository, as amended from time to time
Rights Entitlement Date	:	A date (after the completion of the Proposed Share Consolidation), to be determined and announced later by our Board, on which the names of the shareholders of SGB must appear in the Record of Depositors of our Company as at the close of business on that date in order to be entitled to the Rights Shares and Warrants C
Rights Entitled Shareholder(s)	:	Shareholders of SGB, whose name appear in the Record of Depositors of our Company on the Rights Entitlement Date
Rights Share(s)	:	Up to 312,334,662 new Shares to be issued pursuant to the Proposed Rights Issue with Warrants
RM and sen	:	Ringgit Malaysia and sen, respectively
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions, 2016 issued by the SC
SC	:	Securities Commission Malaysia
SGB or the Company	:	SaudiGold Group Berhad [Registration No.: 200801036832 (838172-P)]
SGB Group or the Group	:	SGB and our subsidiaries
SGB Share(s) or Share(s)	:	Ordinary shares in SGB
Share Consolidation Entitlement Date	:	A date, to be determined and announced later by our Board, on which the names of the shareholders of SGB must appear in the Record of Depositors of our Company as at the close of business on that date in order to be entitled to the Consolidated Shares
Share Consolidation Entitled Shareholder(s)	:	Shareholders of SGB, whose name appear in the Record of Depositors of our Company on the Share Consolidation Entitlement Date
SIS	:	Share issuance scheme

DEFINITIONS (Cont'd)

SMITH ZANDER or the IMR	:	Smith Zander International Sdn Bhd [Registration No.: 201301028298 (1058128-V)], the independent market researcher in relation to the Proposals
Special Holiday	:	Means a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
TEAP	:	Theoretical ex-all price which is the theoretical market price of the Share after adjustment for the effect of the Proposed Share Consolidation and Proposed Rights Issue with Warrants
Theoretical Adjusted 5D-VWAMP	:	The theoretical adjusted 5D-VWAMP of SGB Shares after adjusting for the effects of Proposed Share Consolidation
Treasury Shares	:	267,000 Shares held as treasury shares by our Company
Undertaking	:	The written irrevocable and unconditional undertaking dated 14 February 2025 procured from the Undertaking Shareholder to apply and subscribe in full for their entitlement of Rights Shares and additional Rights Shares not taken up by other Rights Entitled Shareholders and/or their renounee(s) by way of excess Rights Shares application, to the extent such that the aggregate subscription proceeds of the Rights Shares received by our Company are at least RM5.10 million, the details of which are set out in Section 2.2.1 of this Circular
Undertaking Shareholder	:	Tay Ben Seng, Benson (our Executive Director), who provided the Undertaking
Underwriting	:	Underwriting arrangement for the remaining of RM3.80 million to achieve the Minimum Subscription Level taking into consideration the Undertaking
Warrant(s) C	:	Up to 156,167,331 free warrants in SGB to be issued pursuant to the Proposed Rights Issue with Warrants
Warrant C Holder(s)	:	The holder(s) of Warrants C pursuant to the Proposed Rights Issue with Warrants
WSSB	:	Wide Symbol Sdn Bhd [Registration No.: 199601001391 (373737-X)]
5D-VWAMP	:	5-day volume weighted average market price

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. All references to "Our Company" in this Circular are to SGB, references to "Our Group" are to our Company and our subsidiaries, collectively, and references to "we", "us", "our" and "ourselves" are to our Company, and where the context requires, shall include our subsidiaries.

DEFINITIONS (Cont'd)

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

<u>Key information</u>	<u>Summary</u>	<u>Reference to Circular</u>
Details of the Proposals	<p><u>Proposed Share Consolidation</u></p> <p>The Proposed Share Consolidation entails the proposed consolidation of every 10 Existing Shares held by the Share Consolidation Entitled Shareholders, whose names appear in the Record of Depositors at the close of business on the Share Consolidation Entitlement Date into 1 Consolidated Share.</p> <p>As at the LPD, our Company has an issued share capital of RM179,457,770 comprising 1,561,673,319 SGB Shares (excluding Treasury Shares) and there is no outstanding SIS which has been granted but yet to be exercised. Our Company does not intend to grant any SIS and resolved not to resell our treasury shares prior to the Rights Entitlement Date.</p> <p>In this case, upon completion of the Proposed Share Consolidation, the resultant issued share capital of SGB will be RM179,457,770 comprising 156,167,331 Consolidated Shares (excluding the Treasury Shares which shall also be consolidated into 26,700 treasury shares).</p> <p><u>Proposed Rights Issue with Warrants</u></p> <p>The Proposed Rights Issue with Warrants will be implemented after the completion of Proposed Share Consolidation. The Proposed Rights Issue with Warrants entails the issuance of up to 312,334,662 Rights Shares together with up to 156,167,331 free detachable Warrants C on the basis that no SIS will be granted and none of the treasury shares are resold in the open market prior to the Rights Entitlement Date.</p> <p>The Proposed Rights Issue with Warrants will be implemented on a renounceable basis of 2 Rights Shares for every 1 existing Consolidated Share held by the Rights Entitled Shareholders together with 1 Warrant C for every 2 Rights Shares subscribed by the Rights Entitled Shareholders at an issue price and on an entitlement date to be determined and announced by our Board at a later date.</p> <p>The Indicative Rights Issue Price is RM0.0950 per Rights Share. The issue price of the Rights Shares and exercise price of Warrants C shall be determined and announced by our Board at a later date before the announcement of the Rights Entitlement Date after taking into consideration, amongst others, our Board intention to fix the issue price of the Rights Shares and exercise price of Warrants C such that the issue price and exercise price are at a discount range of between 8.00% and 27.00% to the TEAP of SGB Shares.</p>	Section 2

EXECUTIVE SUMMARY (Cont'd)

Key information	Summary	Reference to Circular
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The Proposed Rights Issue with Warrants will be undertaken based on the Minimum Subscription Level, to raise gross proceeds of approximately RM8.90 million.

Utilisation of proceeds (based on Indicative Issue Price)

Details of utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000
Future expansion of business	-	15,000
Capital expenditure	2,000	6,000
Upgrade software and systems	-	1,000
Working capital	5,750	6,522
Estimated expenses for the Proposals	1,150	1,150
Total	8,900	29,672

Rationale for the Proposals : Proposed Share Consolidation

Section 5

The Proposed Share Consolidation is expected to enhance our share capital structure. As SGB Shares are currently traded at relatively low trading price range, a small absolute movement in the share price may be significant in percentage terms. The Proposed Share Consolidation will result in a reduction in the number of SGB Shares available in the market that may potentially reduce the volatility of the trading price for SGB Shares.

Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants will enable our Company to raise our required funds for purposes set out in Section 3 of this Circular without incurring additional interest cost which would arise if SGB was to obtain further bank borrowings to fund the aforesaid purposes, which are expected to contribute positively towards the future earnings of SGB.

Further, the Proposed Rights Issue with Warrants will involve the issuance of new SGB Shares without diluting the Rights Entitled Shareholders' shareholdings, provided that all Rights Entitled Shareholders subscribe in full for their respective entitlements.

The Warrants C attached to the Rights Shares is also expected to enhance the attractiveness of the Rights Shares and provides the shareholders with the option to further participate in the equity of our Company at a pre-determined price.

EXECUTIVE SUMMARY (Cont'd)

Key information	Summary	Reference to Circular
Approvals required	<p>: The Proposals are subject to the following approvals being obtained:</p> <p>(a) Bursa Securities for the following:</p> <p>(i) Proposed Share Consolidation;</p> <p>(ii) admission of the Warrants C to the Official List of the Main Market of Bursa Securities pursuant to the Rights Issue with Warrants; and</p> <p>(iii) listing of and quotation for the Rights Shares, Warrants C, and the new Shares to be issued arising from the exercise of the Warrants C on the Main Market of Bursa Securities pursuant to the Rights Issue with Warrants;</p> <p>which was obtained vide its letter dated 23 February 2026, and is subject to the conditions as stated in Section 8 of this Circular;</p> <p>(b) shareholders of SGB for the Proposals at the forthcoming EGM to be convened; and</p> <p>(c) any other relevant authorities, if required.</p>	Section 8
Parties involved and the element of conflict of interests	<p>: Save as disclosed below, none of the Directors, Major Shareholders and/or chief executive of our Company and/or persons connected to them, have any interest, either direct or indirect, in the Proposals, apart from their respective entitlements as shareholders of our Company in respect of the Proposals, if any, which are also available to the other shareholders of our Company.</p> <p>As disclosed in Section 2.2.1 of this Circular, Tay Ben Seng, Benson has given the Undertaking to subscribe in full for his entitlement of Rights Shares and additional Rights Shares not taken up by other Rights Entitled Shareholders by way of Excess Rights Shares, to the extent such that the aggregate subscription proceeds of the Rights Shares received by SGB arising from the subscription by all Rights Entitled Shareholders and/or their renouncee(s) and/or transferee(s) amount to RM5.10 million.</p>	Section 10 Section 2
Directors' statements and recommendation	<p>: Our Board, having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, is of the opinion that the Proposals are fair and reasonable and are in the best interests of our Company and our shareholders. Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM to be convened.</p>	Section 11

SAUDIGOLD

GROUP BERHAD

SAUDIGOLD GROUP BERHAD
[Registration No.: 200801036832 (838172-P)]
(Incorporated in Malaysia)

Registered Office
1-10, Medan Perniagaan Pauh Jaya
Jalan Baru
13700, Perai
Pulau Pinang

12 March 2026

Board of Directors:

Dato' Arjunaidi Bin Mohamed (Independent Non-Executive Chairman)
Tay Ben Seng, Benson (Executive Director)
Chen Chee Peng (Independent Non-Executive Director)
Datuk Sham Shamrat Sen Gupta (Independent Non-Executive Director)
Datin Ong Poh Lin Abdullah (Independent Non-Executive Director)
Ng Kok Hok (Independent Non-Executive Director)

To: Our Shareholders

Dear Sir/Madam,

- (I) PROPOSED SHARE CONSOLIDATION; AND**
- (II) PROPOSED RIGHTS ISSUE WITH WARRANTS**

(COLLECTIVELY, THE "PROPOSALS")

1. INTRODUCTION

On 13 March 2025, M & A Securities had, on behalf of our Board, announced that our Company had proposed to undertake the Proposals. The details of the Proposals are further set out in the ensuing sections of this Circular.

On 11 April 2025, the listing application in relation to the Proposed Rights Issue with Warrants was submitted to Bursa Securities.

On 6 October 2025, M & A Securities had, on behalf of our Board, announced that our Company resolved to revise the Minimum Subscription Level from the Proposed Rights Issue with Warrants from RM5.10 million to RM8.90 million.

On 24 February 2026, M & A Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 23 February 2026, had resolved to approve the following:

- (a) Proposed Share Consolidation;
- (b) admission of the Warrants C to the Official List;
- (c) listing and quotation for up to 312,334,662 Rights Shares and up to 156,167,331 Warrants C pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities; and

- (d) listing and quotation for up to 156,167,331 new SGB Shares to be issued arising from the exercise of the Warrants C on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in Section 8 of this Circular.

Further details of the Proposals are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT OUR BOARD'S RECOMMENDATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR IN RELATION TO THE PROPOSALS TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Details of the Proposed Share Consolidation

The Proposed Share Consolidation entails the consolidation of every 10 Existing Shares held by the Share Consolidation Entitled Shareholders on the Share Consolidation Entitlement Date into 1 Consolidated Share.

For avoidance of doubt, our Company intends to complete the Proposed Share Consolidation prior to the implementation of the Proposed Rights Issue with Warrants.

As at the LPD, our Company has an issued share capital of RM179,457,770 comprising 1,561,673,319 SGB Shares (excluding Treasury Shares). As at the LPD, there is no outstanding SIS which has been granted but yet to be exercised. Our Company does not intend to grant any SIS and resolved not to resell our Treasury Shares prior to the Rights Entitlement Date.

On the basis that no SIS will be granted and none of the Treasury Shares are resold in the open market prior to the Rights Entitlement Date, upon completion of the Proposed Share Consolidation, the resultant issued share capital of SGB will be RM179,457,770 comprising 156,167,331 Consolidated Shares (excluding the Treasury Shares which shall also be consolidated into 26,700 treasury shares).

The actual number of Consolidated Shares will be determined based on the issued share capital of our Company at the Share Consolidation Entitlement Date. Any fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and/or dealt with in such manner as our Board shall in its absolute discretion deems fit, expedient and in the best interest of our Company.

2.1.1 Theoretical adjusted prices of the Consolidated Share

The Proposed Share Consolidation will result in an adjustment to the reference price of SGB Shares, as listed and quoted on the Main Market, but will not have any impact on the total market value of the Consolidated Shares held by our shareholders.

For illustration purposes, the theoretical adjusted reference price of the Consolidated Shares upon completion of the Proposed Share Consolidation shall be as follows:

	No. of SGB Shares	Closing market price/Theoretical adjusted reference price (RM)	⁽ⁱ⁾Total value (RM)
As at the LPD	1,561,673,319	⁽ⁱⁱ⁾ 0.0100	15,616,733
After the Proposed Share Consolidation	156,167,331	⁽ⁱⁱⁱ⁾ 0.1000	15,616,733

Notes:

- (i) The total value is arrived at by multiplying the number of Shares with the closing market price/theoretical adjusted reference price per Share.
- (ii) Based on the last transacted market price of SGB Shares as at the LPD.
- (iii) The theoretical adjusted reference price is calculated as follows:

Theoretical adjusted reference price per Share	=	Market price per share	X		$\frac{\text{Total number of Existing Shares}}{\text{Total number of Consolidated Shares}}$
	=	RM0.0100	X		$\frac{1,561,673,319}{156,167,331}$
	=	RM0.1000			

2.1.2 Ranking of the Consolidated Share

The Consolidated Shares shall rank equally in all respects with each other and the rights of the Consolidated Shares shall remain unchanged from the rights of the existing SGB Shares.

2.1.3 Procedure for the implementation of Proposed Share Consolidation

No suspension will be imposed on the trading of SGB Shares on the Main Market for the purpose of implementing the Proposed Share Consolidation. The Consolidated Shares shall be listed and quoted on the Main Market on the next market day following the Share Consolidation Entitlement Date.

The notices of allotment of the Consolidated Shares will be issued and despatched to the Share Consolidation Entitled Shareholders within 4 market days after the listing of and quotation for the Consolidated Shares on the Main Market.

2.2 Details of the Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants entails the issuance of up to 312,334,662 Rights Shares together with up to 156,167,331 free Warrants C after the completion of the Proposed Share Consolidation on the basis that no SIS will be granted and none of the treasury shares are resold in the open market prior to the Rights Entitlement Date. The Proposed Rights Issue with Warrants will be implemented on a renounceable basis of 2 Rights Shares for every 1 Consolidated Share held by the Rights Entitled Shareholders together with 1 Warrant C for every 2 Rights Shares subscribed by the Rights Entitled Shareholders at an issue price and on an entitlement date to be determined and announced by our Board at a later date.

The Rights Shares will be offered to the Rights Entitled Shareholders, whose names appear on the Record of Depositors on the Rights Entitlement Date. The Rights Entitlement Date will be determined by our Board after obtaining the approvals for the Proposed Rights Issue with Warrants from all relevant authorities and SGB shareholders.

The basis of 2 Rights Shares for every 1 Consolidated Share held, together with 1 Warrant C for every 2 Rights Shares subscribed for was arrived at after taking into consideration, amongst others, the following:

- (a) the amount of proceeds to be raised from the subscription of the Rights Shares which is to be channelled towards the purposes as set out in Section 3 of this Circular. The amount of proceeds to be raised is subject to the final issue price of the Rights Shares, further details of which are set out in Section 2.2.2 of this Circular; and
- (b) pursuant to Paragraph 6.50 of the Listing Requirements which states that the number of new Shares which will arise from the exercise or conversion of all outstanding convertible securities does not exceed 50.00% of the total number of issued Shares of our Company (excluding treasury shares and before the exercise of the convertible securities) at all times.

The Rights Shares and Warrants C will be provisionally allotted and issued to the Rights Entitled Shareholders. Fractional entitlements pursuant to the Proposed Rights Issue with Warrants if any, will be disregarded, and/or dealt with by our Board in such manner and on such terms and conditions as our Board in its absolute discretion may deem fit or expedient and in the best interests of our Company.

For the avoidance of doubt, the Warrants C are attached to the Rights Shares without any cost and will be issued only to the Rights Entitled Shareholders and/or their renounee(s) and/or transferee(s) who subscribe for the Right Shares. Each Warrant C will entitle its holder to subscribe for 1 new Share at an exercise price to be determined by our Board at a later date.

The Warrants C will be immediately detached from the Rights Shares upon issuance and will be separately traded. The Warrants C will be issued in registered form and constituted by the Deed Poll C.

The entitlements for the Rights Shares together with the Warrants C are renounceable in full or in part. Accordingly, the Rights Entitled Shareholders may fully or partially renounce their entitlements under the Proposed Rights Issue with Warrants.

However, the Rights Shares and Warrants C cannot be renounced separately and only the Rights Entitled Shareholder(s) and/or their renounee(s) and/or transferee(s) who subscribe for the Rights Shares will be entitled to the Warrants C. As such, the Rights Entitled Shareholders who renounce all of their Rights Share entitlements shall be deemed to have renounced all the accompanying entitlements to the Warrants C to be issued together with the Rights Shares. If the Rights Entitled Shareholders accept only part of their Rights Share entitlements, they shall be entitled to the Warrants C in proportion to their acceptance of their Rights Share entitlements.

Any Rights Shares which are not validly taken up shall be offered to other Rights Entitled Shareholders and/or their renounee(s) and/or transferee(s) under excess shares applications ("**Excess Rights Shares**"). It is the intention of our Board to reduce the incidence of odd lots and to allocate Excess Rights Shares in a fair and equitable manner.

The basis for allotment of the Excess Rights Shares is set out below:

- (a) first, to minimise the incidence of odd lots;
- (b) secondly, for allocation to the Rights Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on their respective shareholdings in SGB as at the Rights Entitlement Date;
- (c) thirdly, for allocation to the Rights Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares application; and

- (d) finally, for allocation to the renouncee(s) and/or transferee(s) who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares application.

Our Board reserves the right to allot the Excess Rights Shares applied for by the Rights Entitled Shareholders and/or their renouncee(s) and/or transferee(s) for the Proposed Rights Issue with Warrants in such manner as our Board deems fit and/or expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable manner and that the intention of our Board as set out in (a) to (d) above is achieved.

The indicative salient terms of the Warrants C are set out in Section 2.2.3 of this Circular.

2.2.1 Minimum subscription level, undertaking and underwriting arrangement

Our Company intends to raise a minimum of RM8.90 million from the Proposed Rights Issue with Warrants to meet the funding requirements of SGB Group which will be channelled towards the purpose utilisation as set out in Section 3 of this Circular.

In view of the above, our Board has determined to undertake the Proposed Rights Issue with Warrants on the Minimum Subscription Level to raise minimum proceeds of RM8.90 million, based on an Indicative Rights Issue Price of RM0.0950 per Rights Share, shall entail the subscription of 93,684,200 Rights Shares together with 46,842,100 Warrants C by the Rights Entitled Shareholders.

In order to meet the Minimum Subscription Level:

- (i) our Company had on 14 February 2025 procured an irrevocable and unconditional written Undertaking from Undertaking Shareholder, that he:
 - (a) will subscribe in full for his entitlement of Rights Shares and additional Rights Shares not taken up by other Rights Entitled Shareholders by way of Excess Rights Shares, to the extent such that the aggregate subscription proceeds of the Rights Shares received by SGB arising from the subscription by all Rights Entitled Shareholders and/or their renouncee(s) and/or transferee(s) amounting to RM5.10 million;
 - (b) confirms that he has sufficient financial means and resources for the Undertaking;
 - (c) will vote in favour of the Proposals at the EGM in respect of his current shareholdings; and
 - (d) will not dispose of or otherwise reduce his current shareholding in our Company in any manner until after the Rights Entitlement Date.

The Undertaking Shareholder has confirmed that he has sufficient financial resources to subscribe for the securities pursuant to his Undertaking. M & A Securities, being the Principal Adviser for the Proposed Rights Issue with Warrants has verified that the Undertaking Shareholder has sufficient financial resources to fulfill his commitment pursuant to the Undertaking.

For avoidance of doubt, the Undertaking Shareholder is not obliged to subscribe for the Rights Shares pursuant to the Undertaking if the Minimum Subscription Level has been achieved via subscription by all other Rights Entitled Shareholders and/or their renouncees(s) and/or their transferee(s) (if applicable). The Undertaking Shareholder is only obliged to subscribe for the Rights Shares to ensure that the Minimum Scenario is achieved (e.g. if other Rights Entitled Shareholders and/or their renouncees(s) and/or their transferee(s) as well as the underwriter subscribed to a cumulative amount of RM7.80 million, the Undertaking Shareholder is only obliged to subscribe RM1.10 million Rights Shares pursuant to the Proposed Rights Issue with Warrants).

Notwithstanding this, the Undertaking Shareholder may still choose to do so at their own discretion. At this juncture, the Undertaking Shareholder have not decided on whether they will subscribe for the Rights Shares in the event the Minimum Subscription Level has been achieved, other than his entitlement for the Proposed Rights Issue with Warrants (which he will subscribe in full).

The Undertaking is procured on the following basis:

- (a) such Undertaking would not result in the Undertaking Shareholder and persons acting in concert with it to trigger the obligation to undertake a mandatory general offer for all the remaining SGB securities not already held by them in accordance with Paragraph 4.01(a) of the Rules; and
 - (b) such Undertaking would not result in the public shareholding spread of our Company falling below 25.00% of our Company's enlarged issued share capital after the completion of the Proposed Rights Issue with Warrants in accordance with Paragraph 8.02(1) of the Listing Requirements.
- (ii) the remaining RM3.80 million will be underwritten. The terms and underwriting commission under the underwriting agreement have not been finalised. These details will be finalised at a later stage, following the receipt of shareholders of SGB's approval for the Proposed Rights Issue with Warrants at the forthcoming EGM, and will be disclosed in the abridged prospectus for the Proposed Rights Issue with Warrants to be issued by the Company at a later date. The underwriting commission payable to underwriter(s) and all other costs in relation to the Underwritings will be fully borne by the Company.

The Company will ensure that the underwriting arrangement will not result in the following:

- (a) any breach in the public shareholding spread requirement by the Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25.00% of its total listed shares (excluding treasury shares) are in the hands of public shareholders; and
- (b) any consequences of mandatory general offer obligations pursuant to the Code and the Rules immediately after completion of the Proposed Rights Issue with Warrants.

Further, the Company will procure assurance from the underwriter that they will at all times observe and ensure compliance with the provisions of the Code and the Rules.

Premised on the Undertaking and the underwriting arrangement, the Minimum Subscription Level will be achieved.

Pursuant to Paragraph 6.18(4) of the Listing Requirements, where the Minimum Subscription Level is not achieved due to occurrence of termination events stated in underwriting agreement(s) or for any reason whatsoever (including compliance with Paragraph 6.51 of the Listing Requirements whereby the listing of the Warrants must fulfil the requirement of at least 100 Warrant holders holding not less than 1 board lot of the Warrants each), the implementation of the Proposed Rights Issue with Warrants must be terminated and all consideration received must be immediately returned to all subscribers. As such, if the Minimum Subscription Level is not achieved for any reason whatsoever, our Company will not proceed with the implementation of the Proposed Rights Issue with Warrants. All subscription monies received pursuant to the Proposed Rights Issue with Warrants will be returned without interest as soon as practicable to the Rights Entitled Shareholders and/or their renounee(s) and/or transferee(s) who have subscribed for their entitlements.

The illustration of the Undertaking and underwriting arrangement, based on the Indicative Rights Issue Price is as follows:

Direct shareholding		No. of Rights Shares and Warrants C to be subscribed pursuant to the Undertaking and Underwriting						Total Warrants C entitled to be subscribed pursuant to the Undertaking and Underwriting					
		After Proposed Share Consolidation		Entitlement		Excess application		Total Rights Shares to be subscribed pursuant to the Undertaking and Underwriting		Amount (RM) ^(v)			
As at the LPD	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾	No. of Rights Shares	% ⁽ⁱⁱⁱ⁾	No. of Rights Shares	% ⁽ⁱⁱⁱ⁾	No. of Rights Shares	% ⁽ⁱⁱⁱ⁾	No. of Warrants C	% ^(iv)	
Tay Ben Seng, Benson Underwriter	1,597,500	0.10	159,750	0.10	319,500	0.13	53,364,700	21.36	53,684,200	21.49	5,099,999	26,842,100	9.05
	-	-	-	-	-	-	40,000,000	16.01	40,000,000	16.01	3,800,000	20,000,000	6.74
Total	1,597,500	0.10	159,750	0.10	319,500	0.13	93,364,700	37.37	93,684,200	37.50	8,899,999	46,842,100	15.79

Notes:

- (i) Computed based on our Company's issued share capital 1,561,673,319 Shares in issue (excluding Treasury Shares) as at the LPD.
- (ii) Computed based on our Company's pro forma share capital of up to 156,167,331 Consolidated Shares in issue (excluding 26,700 treasury shares) after the completion of the Proposed Share Consolidation.
- (iii) Based on the enlarged issued share capital of 249,851,531 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants under the Minimum Scenario.
- (iv) Based on the enlarged issued share capital of 296,693,631 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants and full exercise of Warrants C under the Minimum Scenario.
- (v) Based on the Indicative Rights Issue Price.

For illustrative purposes, assuming none of the other Rights Entitled Shareholders subscribe for their entitlements to the Rights Shares, the Undertaking Shareholder and underwriter will be subscribing for 53,684,200 Rights Shares and 40,000,000 Rights Shares, respectively based on the Indicative Rights Issue Price.

However, should the actual issue price be higher or lower than RM0.0950 per Rights Share, the total number of Rights Shares and excess Rights Shares to be subscribed by the Undertaking Shareholder and underwriter (which is computed based on RM8.90 million divided by the actual issue price of the Rights Shares) will be adjusted correspondingly to arrive at RM8.90 million.

For illustrative purposes only, the pro forma shareholding of the Undertaking Shareholder together with person acting in concert who holds Shares in our Company based on the Minimum Subscription Level is set out below:

Name	As at the LPD		After Proposed Share Consolidation		(I) After the Proposed Rights Issue with Warrants		(II) After (I) and assuming full exercise of the Warrants C	
	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾	No. of Shares	% ⁽ⁱⁱⁱ⁾	No. of Shares	% ^(iv)
Undertaking Shareholder								
Tay Ben Seng, Benson	1,597,500	0.10	159,750	0.10	53,843,950	21.55	80,686,050	27.20
Person acting in concert								
FDCSB ^(v)	206,050,000	13.19	20,605,000	13.19	20,605,000	8.25	20,605,000	6.94
Total	207,647,500	13.29	20,764,750	13.29	74,448,950	29.80	101,291,050	34.14

Notes:

- (i) Computed based on our Company's issued share capital 1,561,673,319 Shares in issue (excluding Treasury Shares) as at the LPD.
- (ii) Computed based on our Company's pro forma share capital of up to 156,167,331 Consolidated Shares in issue (excluding 26,700 treasury shares) after the completion of the Proposed Share Consolidation.
- (iii) Computed based on our Company's pro forma enlarged share capital of up to 249,851,531 Shares in issue (excluding 26,700 treasury shares) after the completion of the Proposed Rights Issue with Warrants.
- (iv) Computed based on our Company's pro forma enlarged share capital of up to 296,693,631 Shares in issue (excluding 26,700 treasury shares) after assuming full exercise of the Warrants C.
- (v) Tay Ben Seng, Benson is a director of FDCSB, as such FDCSB is deemed to be the person acting in concert with Tay Ben Seng, Benson ("**PAC**").

As illustrated above, assuming the full exercise of Warrants C by the Undertaking Shareholder (together with PAC) under the Minimum Subscription Level, their shareholding will increase from 13.29% as at the LPD, to 34.14%. Such exercise of the Warrants C by Undertaking Shareholder and PAC may result in their shareholding in SGB to increase to above 33.00% upon exercise of the Warrants C and pursuant to the Paragraph 4.01(a) of the Rules, Tay Ben Seng, Benson and person acting in concert with him would in such event be obliged to undertake a mandatory offer for all the remaining SGB Shares not already held by him. In such an event, they will seek the relevant exemptions under the Code should they not intend to undertake such mandatory offer.

The Undertaking is not expected to result in any breach in the public shareholding spread requirement by our Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25.00% of its total listed shares (excluding treasury shares) are in the hands of public shareholders.

The pro forma public shareholding spread of the Company is illustrated as below:

(A) Assuming only the Undertaking Shareholder and underwriter subscribe

	As at the LPD		After the Proposed Share Consolidation	
	Direct		Direct	
	No. of Shares	(3)%	No. of Shares	(4)%
Share capital	1,561,673,319	100.00	156,167,331	100.00
Less: Shareholdings held by Directors of the Company and its subsidiaries ⁽¹⁾	(1,597,500)	(0.10)	(159,750)	(0.10)
Less: Substantial shareholders of the Company ⁽²⁾	(206,050,000)	(13.19)	(20,605,000)	(13.19)
Public shareholdings spread	1,354,025,819	86.71	135,402,581	86.71

(II)

After (I) and the Proposed Rights Issue with Warrants

	Direct		Indirect	
	No. of Shares	(5)%	No. of Shares	(5)%
	Share capital	249,851,531	100.00	-
Less: Shareholdings held by Directors of the Company and its subsidiaries ⁽¹⁾	(53,843,950)	(21.55)	-	-
Less: Substantial shareholders of the Company ⁽²⁾	(60,605,000)	(24.26)	(20,605,000)	(8.25)
Public shareholdings spread	135,402,581	54.19		

(III)

After (II) and assuming full exercise of the Warrants C

	Direct		Indirect	
	No. of Shares	(6)%	No. of Shares	(6)%
	Share capital	296,693,631	100.00	-
Less: Shareholdings held by Directors of the Company and its subsidiaries ⁽¹⁾	(80,686,050)	(27.20)	-	-
Less: Substantial shareholders of the Company ⁽²⁾	(80,605,000)	(27.16)	(20,605,000)	(6.94)
Public shareholdings spread	135,402,581	45.64		

Notes:

- (1) Being the shareholdings of the Director of SGB as follows:

Director	Position	As at the LPD		(I) After the Proposed Share Consolidation	
		Direct No. of Shares (i)%	Indirect No. of Shares %	Direct No. of Shares (ii)%	Indirect No. of Shares %
Tay Ben Seng, Benson	Executive Director	1,597,500	0.10	159,750	0.10

Director	Position	(II) After (I) and the Proposed Rights Issue with Warrants		(III) After (II) and assuming full exercise of the Warrants C	
		Direct No. of Shares (iii)%	Indirect No. of Shares %	Direct No. of Shares (iv)%	Indirect No. of Shares %
Tay Ben Seng, Benson ^(vi)	Executive Director	^(v) 53,843,950	21.55	^(vi) 80,686,050	27.20

Notes:

- (i) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
- (ii) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).
- (iii) Based on the enlarged issued share capital of 249,851,531 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants under the Minimum Scenario.
- (iv) Based on the enlarged total number of 296,693,631 Shares (excluding 26,700 treasury shares) assuming full exercise of the Warrants C under the Minimum Scenario.
- (v) Assuming the Undertaking Shareholder will be subscribing for 53,684,200 Rights Shares pursuant to his Undertaking.
- (vi) Assuming full exercise of 26,842,100 Warrants C into 26,842,100 new SGB Shares.
- (vii) Tay Ben Seng, Benson is also a substantial shareholder of SGB.

(2) Being the shareholding of the substantial shareholders of SGB as follows:

Substantial shareholders	As at the LPD		After the Proposed Share Consolidation			
	(I)		(I)			
	Direct	Indirect	Direct	Indirect		
	No. of Shares	(i)%	No. of Shares	(ii)%	No. of Shares	(iii)%
FDCSB	206,050,000	13.19	-	20,605,000	13.19	-
Focus Dynamics Group Berhad Underwriter	-	-	(i)206,050,000	-	-	(i)20,605,000
	-	-	-	-	-	-
Total	206,050,000	13.19	206,050,000	13.19	20,605,000	13.19
Substantial shareholders	After (I) and the Proposed Rights Issue with Warrants		After (II) and assuming full exercise of the Warrants C			
	(II)		(III)			
	Direct	Indirect	Direct	Indirect		
	No. of Shares	(iii)%	No. of Shares	(iv)%	No. of Shares	(v)%
FDCSB	20,605,000	8.25	-	20,605,000	6.94	-
Focus Dynamics Group Berhad Underwriter	-	-	(v)20,605,000	8.25	-	(v)20,605,000
	40,000,000	16.01	-	60,000,000	20.22	-
Total	60,605,000	24.26	20,605,000	8.25	80,605,000	27.16
					20,605,000	6.94

Notes:

- (i) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
 - (ii) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).
 - (iii) Based on the enlarged issued share capital of 249,851,531 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants under the Minimum Scenario.
 - (iv) Based on the enlarged total number of 296,693,631 Shares (excluding 26,700 treasury shares) assuming full exercise of the Warrants C under the Minimum Scenario.
 - (v) Deemed interest by virtue of its wholly-owned subsidiary's substantial shareholding in our Company.
- (3) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
 - (4) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).

Notes:

- (1) Being the shareholdings of the Director of SGB as follows:

Director	Position	As at the LPD		(I) After the Proposed Share Consolidation	
		Direct	Indirect	Direct	Indirect
		No. of Shares (i)%	No. of Shares %	No. of Shares (ii)%	No. of Shares %
Tay Ben Seng, Benson	Executive Director	1,597,500	0.10	159,750	0.10
			-		-

Director	Position	(II) After (I) and the Proposed Rights Issue with Warrants		(III) After (II) and assuming full exercise of the Warrants C	
		Direct	Indirect	Direct	Indirect
		No. of Shares (iii)%	No. of Shares %	No. of Shares (iv)%	No. of Shares %
Tay Ben Seng, Benson	Executive Director	(v)479,250	0.19	(vi)639,000	0.22
			-		-

Notes:

- (i) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
- (ii) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).
- (iii) Based on the enlarged issued share capital of 249,851,531 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants under the Minimum Scenario.
- (iv) Based on the enlarged total number of 296,693,631 Shares (excluding 26,700 treasury shares) assuming full exercise of the Warrants C under the Minimum Scenario.
- (v) Assuming full subscription of 312,334,662 Rights Shares into 312,334,662 new SGB Shares, in which Tay Ben Seng, Benson is assumed to be granted 319,500 Rights Shares pursuant to his shareholdings in the Company.
- (vi) Assuming full exercise of 156,167,331 Warrants C into 156,167,331 new SGB Shares, in which Tay Ben Seng, Benson is assumed to be granted 159,750 Warrants pursuant to his shareholdings in the Company.

(vii) Assuming full exercise of 156,167,331 Warrants C into 156,167,331 new SGB Shares, in which FDCSB is assumed to be granted 20,605,000 Warrants pursuant to his shareholdings in the Company.

- (3) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
- (4) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).
- (5) Based on the enlarged issued share capital of 249,851,531 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants.
- (6) Based on the enlarged total number of 296,693,631 Shares (excluding 26,700 treasury shares) assuming full exercise of the Warrants C.

(C) Maximum Scenario

	(I)							
	As at the LPD		After the Proposed Share Consolidation					
	Direct	Indirect	Direct	Indirect				
No. of Shares	(⁽³⁾)%	No. of Shares	(⁽³⁾)%	No. of Shares	(⁽⁴⁾)%	No. of Shares	(⁽⁴⁾)%	
Share capital	1,561,673,319	100.00	-	-	156,167,331	100.00	-	-
Less: Shareholdings held by Directors of the Company and its subsidiaries ⁽¹⁾	(1,597,500)	(0.10)	-	-	(159,750)	(0.10)	-	-
Less: Substantial shareholders of the Company ⁽²⁾	(206,050,000)	(13.19)	(206,050,000)	(13.19)	(20,605,000)	(13.19)	(20,605,000)	(13.19)
Public shareholdings spread	1,354,025,819	86.71			135,402,581	86.71		

	(II)				(III)				
	After (I) and the Proposed Warrants		After (II) and the Proposed Rights Issue with Warrants		After (II) and assuming full exercise of the Warrants C		After (II) and assuming full exercise of the Warrants C		
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
No. of Shares	(⁽⁵⁾)%	No. of Shares	(⁽⁵⁾)%	No. of Shares	(⁽⁵⁾)%	No. of Shares	(⁽⁶⁾)%	No. of Shares	(⁽⁶⁾)%
Share capital	468,501,993	100.00	-	-	624,669,324	100.00	-	-	-
Less: Shareholdings held by Directors of the Company and its subsidiaries ⁽¹⁾	(479,250)	(0.10)	-	-	(639,000)	(0.10)	-	-	-

	(II) After (I) and the Proposed Rights Issue with Warrants			(III) After (II) and assuming full exercise of the Warrants C		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(5)%	No. of Shares	(5)%	No. of Shares	(6)%
Less: Substantial shareholders of the Company ⁽²⁾	(61,815,000)	(13.19)	(61,815,000)	(13.19)	(82,420,000)	(13.19)
Public shareholdings spread	406,207,743	86.71			541,610,324	86.71

Notes:

(1) Being the shareholdings of the Director of SGB as follows:

Director	Position	(I) As at the LPD			(II) After (I) and the Proposed Rights Issue with Warrants			(III) After (II) and assuming full exercise of the Warrants C		
		Direct		Indirect	Direct		Indirect	Direct		Indirect
		No. of Shares	(i)%	No. of Shares	%	No. of Shares	(ii)%	No. of Shares	(iii)%	No. of Shares
Tay Ben Seng, Benson	Executive Director	1,597,500	0.10	-	-	159,750	0.10	-	-	-
Tay Ben Seng, Benson	Executive Director	(v)479,250	0.10	-	-	(vi)639,000	0.10	-	-	-

Notes:

- (i) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
- (ii) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).
- (iii) Based on the enlarged issued share capital of 468,501,993 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants under Maximum Scenario.

- (iv) Based on the enlarged total number of 624,669,324 Shares (excluding 26,700 treasury shares) assuming full exercise of the Warrants C under Maximum Scenario.
- (v) Assuming full subscription of 312,334,662 Rights Shares into 312,334,662 new SGB Shares, in which Tay Ben Seng, Benson is assumed to be granted 319,500 Rights Shares pursuant to his shareholdings in the Company.
- (vi) Assuming full exercise of 156,167,331 Warrants C into 156,167,331 new SGB Shares, in which Tay Ben Seng, Benson is assumed to be granted 159,750 Warrants pursuant to his shareholdings in the Company.

(2) Being the shareholding of the substantial shareholders of SGB as follows:

Substantial shareholders	As at the LPD			After the Proposed Share Consolidation (I)		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(i)%	No. of Shares	(ii)%	No. of Shares	(iii)%
FDCSB	206,050,000	13.19	-	-	20,605,000	13.19
Focus Dynamics Group Berhad	-	-	(v)206,050,000	13.19	-	(v)20,605,000
Total	206,050,000	13.19	206,050,000	13.19	20,605,000	13.19

Substantial shareholders	(II) After (I) and the Proposed Rights Issue with Warrants			(III) After (II) and assuming full exercise of the Warrants C		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(i)%	No. of Shares	(ii)%	No. of Shares	(iv)%
FDCSB	(vi)61,815,000	13.19	-	-	(vii)82,420,000	13.19
Focus Dynamics Group Berhad	-	-	(v)61,815,000	13.19	-	(v)82,420,000
Total	61,815,000	13.19	61,815,000	13.19	82,420,000	13.19

Notes:

- (i) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
- (ii) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).
- (iii) Based on the enlarged issued share capital of 468,501,993 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants under Maximum Scenario.

- (iv) Based on the enlarged total number of 624,669,324 Shares (excluding 26,700 treasury shares) assuming full exercise of the Warrants C under Maximum Scenario.
 - (v) Deemed interest by virtue of its wholly-owned subsidiary's substantial shareholding in our Company.
 - (vi) Assuming full subscription of 312,334,662 Rights Shares into 312,334,662 new SGB Shares, in which FDCSB is assumed to be granted 41,210,000 Rights Shares pursuant to his shareholdings in the Company.
 - (vii) Assuming full exercise of 156,167,331 Warrants C into 156,167,331 new SGB Shares, in which FDCSB to be granted 20,605,000 Warrants pursuant to his shareholdings in the Company.
- (3) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
 - (4) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).
 - (5) Based on the enlarged issued share capital of 468,501,993 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants.
 - (6) Based on the enlarged total number of 624,669,324 Shares (excluding 26,700 treasury shares) assuming full exercise of the Warrants C.

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2.2.2 Basis and justification of determining the issue price of the Rights Shares and the exercise price of the Warrants C

(a) Issue price of the Rights Shares

The issue price of the Rights Shares shall be determined and announced by our Board at a later date before the announcement of the Rights Entitlement Date after taking into consideration, amongst others, the following:

- (i) the funding requirements of our Company as set out in Section 3 of this Circular;
- (ii) the rationale for the Proposed Rights Issue with Warrants as set out in Section 5.2 of this Circular; and
- (iii) the TEAP of SGB Shares based on the Theoretical Adjusted 5D-VWAMP up to and including the last trading day prior to the price-fixing date.

The issue price of the Rights Shares will be fixed at a later date to reflect the prevailing market conditions and recent trading performance of our Shares. In addition to the above basis, our Company has determined that in any event, the issue price of Rights Shares shall not be lower than RM0.0950 per Rights Share ("**Floor Price**"). Our Board intends to fix the issue price of the Rights Shares such that the issue price is at a discount range of between 8.00% and 27.00% to the TEAP of SGB Shares. For the avoidance of doubt, in the event that the Floor Price falls outside the proposed discount range, our Company shall adopt the Floor Price as the final issue price of the Rights Shares, instead of the percentage-based discount parameter. This was determined by our Board after taking into consideration the need of our Company to price the Rights Shares at an issue price deemed sufficiently attractive and the current general market sentiment and recent historical share price performance of SGB to encourage subscription of the Rights Shares and to enable our Group to raise the necessary funds required for the proposed use as set out in Section 3 of this Circular. The price-fixing announcement will also include the basis and justification for the issue price of the Rights Shares.

For illustrative purpose, the Indicative Rights Issue Price of the Rights Shares is RM0.0950 per Rights Share (which is also the Floor Price) which represents a discount of approximately 5.00% to the Theoretical Adjusted 5D-VWAMP of up to and including the LPD of RM0.1000 per Share which corresponds to a discount of approximately 2.66% (based on Minimum Subscription Level) and a discount of approximately 1.35% (based on Maximum Subscription Level) to the TEAP of SGB Shares of RM0.0976 and RM0.0963 per share, respectively (as illustrated in Section 2.2.2(c)).

(b) Exercise price of the Warrant C

The exercise price of the Warrants C shall be determined and announced by our Board at a later date before the announcement of the Rights Entitlement Date after taking into consideration, amongst others, the TEAP of SGB Shares based on the 5D-VWAMP of SGB Shares up to and including the last trading day prior to the price-fixing date. In addition, our Company has determined that in any event, the exercise price of the Warrants C shall not be lower than RM0.0950 per Warrant C ("**Exercise Floor Price**").

Our Board intends to fix the exercise price of the Warrants C such that the exercise price is at a range of discount between 8.00% and 27.00% to the TEAP of SGB Shares. For the avoidance of doubt, in the event that the Exercise Floor Price falls outside the proposed discount range, our Company shall adopt the Exercise Floor Price as the final exercise price of the Warrants C, instead of the percentage-based discount parameter. This was determined by our Board after taking into consideration the future prospects of our Group, further details of which are set out in Section 6.3 of this Circular, as well

as the need to fix an exercise price that makes the Warrants C attractive for the purposes of enhancing the subscription level of the Rights Shares.

For illustrative purpose, the Indicative Exercise Price of Warrants C is RM0.0950 per Warrant C (which is also the Exercise Floor Price) which represents a discount of approximately 5.00% to the Theoretical Adjusted 5D-VWAMP of up to and including the LPD of RM0.1000 per Share which corresponds to a discount of approximately 2.66% (based on Minimum Subscription Level) and a discount of approximately 1.35% (based on Maximum Subscription Level) to the TEAP of SGB Shares of RM0.0976 and RM0.0963 per share, respectively (as illustrated in Section 2.2.2(c)).

(c) Illustration of the derivation of TEAP

Illustration of derivation of TEAP (based on Minimum Subscription Level)

$$TEAP = \frac{(P \times Y) + (X \times Z) + (X \times \frac{W}{Q} \times Ep)}{Y + X + (X \times \frac{W}{Q})}$$

Where:

<i>P</i>	=	Theoretical Adjusted 5D-VWAMP up to and including the LPD
<i>X, Q</i>	=	Number of Rights Shares based on Minimum Subscription Level
<i>Y</i>	=	Total number of Consolidated Shares
<i>Z</i>	=	Indicative Rights Issue Price
<i>W</i>	=	Number of Warrant C attached to Rights Shares
<i>Ep</i>	=	Indicative Exercise price of Warrant C

Assumptions:

Rights ratio	=	2:1 (2 Rights Shares for every 1 Consolidated Share)
Warrants ratio	=	1:2 (1 Warrant C for every 2 Rights Shares subscribed)

As such, the calculation of TEAP is as follows:

$$TEAP = \frac{(0.1000 \times 156,167,331) + (93,684,200 \times 0.0950) + (93,684,200 \times \frac{46,842,100}{93,684,200} \times 0.0950)}{156,167,331 + 93,684,200 + (93,684,200 \times \frac{46,842,100}{93,684,200})}$$

$$TEAP = 0.0976$$

Illustration of derivation of TEAP (based on Maximum Subscription Level)

$$TEAP = \frac{(P \times Y) + (X \times Z) + (X \times \frac{W}{Q} \times Ep)}{Y + X + (X \times \frac{W}{Q})}$$

Where:

<i>P</i>	=	Theoretical Adjusted 5D-VWAMP up to and including the LPD
<i>X, Q</i>	=	Number of Rights Shares based on Maximum Subscription Level
<i>Y</i>	=	Total number of Consolidated Shares
<i>Z</i>	=	Indicative Rights Issue Price
<i>W</i>	=	Number of Warrants C attached to Rights Shares
<i>Ep</i>	=	Indicative Exercise price of Warrants C

Assumptions:

Rights ratio = 2:1 (2 Rights Shares for every 1 Consolidated Share)
Warrants ratio = 1:2 (1 Warrant C for every 2 Rights Shares subscribed)

As such, the calculation of TEAP is as follows:

$$TEAP = \frac{(0.1000 \times 156,167,331) + (312,334,662 \times 0.0950) + (312,334,662 \times \frac{156,167,331}{312,334,662} \times 0.0950)}{156,167,331 + 312,334,662 + (312,334,662 \times \frac{156,167,331}{312,334,662})}$$

$$TEAP = 0.0963$$

2.2.3 Indicative salient terms of the Warrants C

The indicative salient terms of the Warrants C are as follows:

Terms	Details
Issue size	: Up to 156,167,331 Warrants C to Rights Entitled Shareholders on the basis of 1 Warrant C for every 2 Rights Shares subscribed by the Rights Entitled Shareholders at an issue price and on the Rights Entitlement Date.
Issue Price	: The final issue price of the Warrants will be determined and fixed by our Board after receipt of all relevant approvals but before announcement of the Rights Entitlement Date on the basis as set out in Section 2.2.2(b) of this Circular.
Form and constitution	: The Warrants C will be issued in registered form and constituted by the Deed Poll C to be executed by our Company.
Tenure of the Warrants C	: 5 years commencing from and including of the Issue Date.
Expiry Date	: A date which falls on the day immediately before 5th anniversary of the Issue Date and if such date is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day (" Expiry Date ").
Exercise Price	: The exercise price of the Warrants C (" Exercise Price ") shall be determined by our Board at a later date after obtaining the relevant approvals but prior to the Rights Entitlement Date. The Exercise Price and/ or the number of Warrants C in issue during the exercise period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll C.
Exercise Period	: The period commencing on and including the Issue Date and ending at 5.00 p.m. on the Expiry Date (" Exercise Period "). Any Warrants C not exercised by the Expiry Date (as defined herein) will thereafter lapse and cease to be valid for any purpose.
Mode of exercise	: A Warrant C Holder including Depositors whose names appear on the Record of Depositors as holders of the Warrants C is required to complete, sign and stamp an exercise form and deliver the exercise form to our Company's share registrar together with remittance of the amount equal to the Exercise Price payable when exercising their

Terms	Details
	Warrants C to subscribe for new Shares and the requisite processing fees for the new Shares by way of banker's draft or cashier's order or by way of interbank transfer for the credit of an account maintained by our Company. The payment of such fee must be made in Ringgit Malaysia.
Exercise rights	: Each Warrant C shall entitle the Warrant C Holder to subscribe for 1 new SGB Share at any time during the Exercise Period at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll C.
Board lot	: For the purposes of trading on Bursa Securities, a board lot for the Warrants C shall be 100 units of Warrants C or such other denominations as permitted by any relevant authorities. Our Company shall ensure that there must be at least 100 Warrant C Holders holding not less than 1 board lot of the Warrants C each upon listing of the Warrants C in accordance to Paragraph 6.51 of the Listing Requirements. The Proposed Rights Issue with Warrants will be terminated in the event this condition is not met.
Adjustment in the Exercise Price and/ or number of Warrants C	: The Exercise Price and/or number of Warrants C may be adjusted by our Board in consultation with an approved adviser appointed by our Company or certified by the auditors of our Company in the event of any alteration in the share capital of our Company at any time during the tenure of the Warrants C, whether by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the terms and conditions of the Deed Poll C.
Rights of the Warrants C Holders in the event of winding-up, liquidation, compromise or arrangement	: Where a resolution has been passed for a members' voluntary winding up of our Company, or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: <ul style="list-style-type: none"> (i) for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant C Holder (or some persons designated by them for such purposes by a special resolution of the Warrant C Holders), shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrants C Holders; and (ii) in the event a notice is given by our Company to our shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind up our Company, and in any other case and subject always to the provisions of Deed Poll C, every Warrant C Holder shall thereupon be entitled to exercise his Warrants C at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of our Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon our Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant C Holder shall be entitled to receive out of the assets of our Company which would be

Terms	Details
	available in liquidation if the Warrant C Holder had on such date been the holder of the new Shares to which the Warrant C Holder would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the aforesaid 6 weeks, all exercise rights shall lapse and cease to be valid for any purpose.
Modifications of rights of the Warrants C holders	: Subject to the provisions of the Deed Poll C, no amendment or addition may be made to the provisions of Deed Poll C without the sanction of a special resolution of the Warrants C Holders unless the amendments or additions are required to correct any manifest errors or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of our Company, will not be materially prejudicial to the interests of the Warrants C Holders.
Transferability	: The Warrants C shall be transferable subject to Deed Poll C and in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.
Listing	: The Warrants C will be listed on the Main Market of Bursa Securities.
Governing law	: The laws of Malaysia.

2.2.4 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of Warrant C

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the then existing SGB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment of the Rights Shares.

The new SGB Shares to be issued arising from the exercise of the Warrants C shall, upon allotment and issuance, rank equally in all respects with the existing SGB Shares, save and except that the new SGB Shares to be issued arising from the exercise of the Warrants C shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new SGB Shares.

2.2.5 Listing of the Rights Shares, Warrants C and the new SGB Shares to be issued arising from the exercise of the Warrants C

On 23 February 2026, Bursa Securities had approved the admission of the Warrants C to the Official List as well as listing of and quotation for the following on the Main Market:

- (a) the Rights Shares;
- (b) the Warrants C; and
- (c) the new SGB Shares to be issued from the exercise of the Warrants C.

3. UTILISATION OF PROCEEDS

Minimum Scenario : Assuming that (i) no treasury shares is resold in the open market prior to the implementation of the Proposals; (ii) there will not be any new Shares to be issued arising from the exercise of any convertible securities prior to the implementation of the Proposals; and (iii) no SIS has been granted; and (iv) the Proposed Rights Issue with Warrants is undertaken on the Minimum Subscription Level.

Maximum Scenario : Assuming that (i) no treasury shares is resold in the open market prior to the implementation of the Proposals; (ii) there will not be any new Shares to be issued arising from the exercise of any convertible securities prior to the implementation of the Proposals; (iii) no SIS has been granted; and (iv) all the Rights Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements under the Proposed Rights Issue with Warrants.

For illustration purpose, based on the Indicative Rights Issue Price of RM0.0950 per Rights Share, the Proposed Rights Issue with Warrants will raise gross proceeds of RM8.90 million under Minimum Scenario and approximately RM29.67 million under the Maximum Scenario. The gross proceeds are expected to be utilised by our Company in the following manner:

Details of utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000	Notes	Expected time frame for utilisation of proceeds (from the listing date)
Future expansion of business	-	15,000	(a)	Within 24 months
Capital expenditure	2,000	6,000	(b)	Within 24 months
Upgrade software and systems	-	1,000	(c)	Within 24 months
Working capital	5,750	6,522	(d)	Within 24 months
Estimated expenses for the Proposals	1,150	1,150	(e)	Immediately
Total	8,900	29,672		

Pursuant to the Minimum Subscription Level, our Company will raise RM8.90 million from the Proposed Rights Issue with Warrants, of which RM1.15 million will be allocated to defray the estimated expenses for the Proposals, while the remaining RM7.75 million will be utilised for the capital expenditure and the working capital as set out in Section 3 Notes (b) and (d) of this Circular.

Furthermore, any additional proceeds raised in excess of RM8.90 million will be allocated up to the respective maximum allocation under the Minimum Scenario and Maximum Scenario, in the following order: (i) estimated expenses for the Proposals; (ii) future expansion of business; (iii) capital expenditure; (iv) upgrade software and systems; and (v) working capital.

Notes:

(a) Future expansion of business

Acquisition and/or investment of new business

Our Company intends to utilise up to RM12.00 million of the gross proceeds to be raised from the Proposed Rights Issue with Warrants to embark on future acquisitions of food related businesses with favourable outlooks that may generate positive returns for our Group and increase shareholder's value.

In line with our Group's business expansion plan, our Group intends to acquire and/or invest in good value, high quality companies/businesses in the food industry. As such, it is crucial for our Group to have the required funds from the proceeds in place to expeditiously execute our expansion plans and strategically positions us to capitalise on potential opportunities as they arise. This allows our Company to act swiftly and decisively when identifying investments that align with our strategic objectives.

As at the LPD, our Company has identified a potential target engaged in the processing and distribution of seafood products, which is complementary to our Group's existing business. We are currently at the preliminary stage of discussion and have not finalised the terms of any definitive agreements. Our Board is evaluating the potential acquisitions and/or investments based on key considerations aligned with our Group's overall strategic direction and long-term objectives. These considerations may include, among others, the target's historical financial performance, market presence, scalability, future growth prospects, and the potential to generate synergistic value that complements our Group's existing core businesses. Our Company will make the requisite announcement(s) in the event of any acquisition and/or investment in new business, including the amount of proceeds from the Proposed Rights Issue with Warrants to be utilised for such purposes. For the avoidance of doubt, our Company will make such announcement(s) upon entering into any definitive agreement(s) in relation thereto. If the nature of the transaction requires the approval of shareholders pursuant to the Listing Requirements, our Board will seek the necessary approvals from the shareholders of our Company at a general meeting.

However, in the event that our Company is not able to finalise the terms with the targeted company for the proposed acquisition and/or investments within the stipulated timeframe, our Company will vary the utilisation of proceeds for general working capital purposes. In the event of any variation in the utilisation of proceeds from the Proposed Rights Issue with Warrants, our Company will make an immediate announcement to Bursa Securities and shall provide a detailed breakdown of the amounts reallocated for working capital purposes should there be any deviation by 5.00% or more from the original utilisation of proceeds as set out above. Further, our Company will seek its shareholders' approval for the variation at a general meeting should there be any material variation (25.00% or more) from the original utilisation of proceeds. As the actual utilisation of these proceeds will depend on the prevailing operating needs of our Group at the time when the proceeds are received, a further breakdown of the proposed utilisation of proceeds for working capital cannot be determined at this juncture.

Nevertheless, these proceeds shall mainly be utilised for the operating expenses which may include but not limited to payment of trade and other payables (i.e. supplier for purchase of raw material and maintenance costs for machineries and equipment) as well as administrative and operating expenses such as salaries and salary-related expenses (allowances, EPF, SOCSO and staff claims) and office maintenance, utilities and telecommunication expenses.

Expansion of existing business

In addition, our Company intends to allocate up to RM3.00 million for the establishment and operation of burger stores, food trucks and/or kiosks. This fund will primarily be used to set up physical locations and mobile units under the brand name of Saudi Gold. The allocation will cover costs related to property leasing, store or kiosk setup, equipment, inventory, staffing and marketing efforts aimed at building brand visibility and customer base in Klang Valley and North Malaysia.

As at the LPD, our Company has identified Klang Valley and North Malaysia as the primary target market for these ventures, taking into consideration of the proximity of our factory in Kedah and the demographic and economic conditions in Klang Valley. Our Company intends to establish a total of 30 stores or kiosks, with the setup of the 10 stores or kiosks is expected to commence immediately after the receipt of proceeds from the Proposals and is projected to be completed within 12 months. The remaining 20 stores or kiosks will be set up within the following 12 months. Currently, our Company is in discussion to identify product offerings for these stores or kiosks, ensuring alignment with market demand and brand objectives.

Our Group's expansion strategy is to establish new burger stores, food trucks and/or kiosks in commercially viable locations such as malls, selected commercial areas and near public amenities, taking into account target demographics, rental costs and economic conditions. The business model combines fixed outlets, which provide stable revenue and reinforce brand presence, with mobile units that offer flexibility to reach wider customer segments and participate in events. The viability of this venture is supported by the proximity of our manufacturing facility in Kedah, ensuring efficient supply chain and cost control, and by our ability to offer premium halal-certified products. While no formal feasibility study has been undertaken, our Board believes the expansion is commercially viable and will generate synergistic benefits through economies of scale, stronger brand recognition and vertical integration with our existing food production business.

(b) Capital expenditure

The proceeds earmarked for capital expenditure are expected to be used in the following manner:

Description	Minimum Scenario RM'000	Maximum Scenario RM'000
Purchase of new machinery and equipment ⁽ⁱ⁾	2,000	4,000
Factory upgrade ⁽ⁱⁱ⁾	-	2,000
Total	2,000	6,000

Notes:

- (i) Our Group intend to expand our production capacity by purchasing the following machinery and equipment:

Type of machinery/ equipment	Description	No. of units	RM'000
Mixer and Predust	A machine used to combine ingredients into a uniform mixture and apply a light layer of flour or batter to food products before they are breaded or fried	2	600

Type of machinery/equipment	Description	No. of units	RM'000
Fryer	An equipment used to cook food products by deep frying	2	1,400
Freezer	A machine used to rapidly freeze food products to preserve their freshness, texture, and nutritional content	2	2,000
		Total	4,000

The purchase of these machinery and equipment is in line with our Group's future plans to expand our production capacity for manufacturing further process products ("FPP"), which includes chicken nuggets, chicken katsu and other fried products. This investment also supports our Group's future plans to increase our FPP production line to meet the growing demand from existing markets and future demand from East Malaysia market, i.e. Sabah and Sarawak. The new machinery is expected to increase the production capacity for fried product line by at least 40.00%. With this, our Company expects the monthly production capacity of fried product line will increase from 97 tonnes to 145 tonnes. The new machinery and equipment will be installed at our Company's existing manufacturing plant located in Sungai Petani, Kedah.

Our Company has established a stronger market share in the FPP segment, which has contributed to higher sales and expanded its market presence in East Malaysia, i.e Sabah and Sarawak. The sales recorded from East Malaysia increased by RM1.71 million or 53.27% to approximately RM4.92 million in the FYE 2024, from RM3.21 million in FYE 2023 (FYE 2022: RM0.21 million). The demand from East Malaysia has improved in FYE 2024 and FYE 2023 and our Group expects this trend to continue. In view of the increasing demand and our Group's strategy to penetrate further into East Malaysia, the expansion is considered commercially viable and aligned with our long-term growth plans.

At present, our Group's manufacturing facilities have a total production capacity of about 750 tonnes of frozen food products per month. Following the purchase of new machinery and equipment, our Group total production capacity is expected to increase from 750 tonnes to 798 tonnes per month.

- (ii) Our Group intends to allocate up to RM2.00 million to upgrade our factory infrastructure located in Kedah, specifically for the installation of solar panels. The upgrade is expected to commence immediately after the receipt of proceeds from the Proposals and be completed within 6 months from the commencement of the work. The funds will be utilised to install solar panels that are expected to generate a portion of the factory's energy requirements, potentially reducing electricity consumption by 20.00% to 30.00%. Based on the FYE 2024, our average monthly electricity bill of approximately RM0.30 million, the installation is expected to result in cost savings of about RM0.06 million to RM0.09 million per month (equivalent to RM0.72 million – RM1.08 million per year). The resulting savings in electricity costs will serve as a long-term cost-saving measure, further enhancing our Group's operational efficiency.

(c) Upgrade software and systems

Description	Minimum Scenario RM'000	Maximum Scenario RM'000
Upgrade software and systems	-	1,000
Total	-	1,000

Our Group has allocated up to RM1.00 million to upgrade our software and systems. Currently, the back-office systems which are Enterprise Resource Planning ("ERP") system and Manufacturing Execution System ("MES") system, are not fully integrated. Our Group intends to integrate these systems to enable efficient data collection for food safety and quality control. This integration will provide useful information that will enable our Group to streamline processes, eliminate redundant processes through automation, centralised data and enhance planning and reporting activities.

(d) Working capital

The proceeds earmarked for working capital will be used as additional funds to finance our Group's day-to-day operations and are expected to be used in the following manner:

Description	Minimum Scenario RM'000	Maximum Scenario RM'000
Product innovation, research and development ("R&D") ⁽ⁱ⁾	300	300
Staff salaries and statutory contribution ⁽ⁱⁱ⁾	1,850	2,622
Purchase of raw materials ⁽ⁱⁱⁱ⁾	3,600	3,600
Total	5,750	6,522

Notes:

- (i) Our Group intends to utilise the proceeds for our R&D efforts. The R&D efforts are aimed at refining and advancing manufacturing processes to improve product quality and production efficiency. The R&D activities will focus on developing innovative new products while also enhancing existing ones, ensuring they are more cost-effective without compromising on quality.
- (ii) Our Groups intends to allocate up to RM2.62 million of the proceeds for staff-related costs (such as salaries, allowances and statutory contributions for our employees).
- (iii) Our Group intends to allocate up to RM3.60 million of the proceeds for the purchase of raw materials for products (such as raw chicken from Thailand, beef from India and Australia, casings used for sausages from Singapore, concentrated soy proteins from China, and others) to cater for the expected increase in production capacity.

The actual breakdown of these expenses will depend on the operating and funding requirements of our Group at the time of utilisation. Any surplus or shortfall for any category under working capital will be adjusted against the other category under working capital.

(e) Estimated expenses for the Proposals

The breakdown of the estimated expenses for the Proposals is illustrated below:

Description	Minimum Scenario RM'000	Maximum Scenario RM'000
Professional fees and underwriting fees ⁽ⁱ⁾	982	982
Fees to authorities ⁽ⁱⁱ⁾	87	87
Miscellaneous charges (Printing and meeting expenses) ⁽ⁱⁱⁱ⁾	81	81
Total	1,150	1,150

Notes:

- (i) Comprises the professional fees of the principal adviser, solicitors, reporting accountants, independent market researcher, share registrar, and company secretary as the breakdown of each professional fees is of the following:

Description	Amount RM'000
Principal adviser	405
Share registrar	220
Reporting accountants	108
Underwriting fees	123
Solicitors	65
Independent market researcher	27
Company Secretary	34
Total	982

- (ii) The fees to authorities comprised of the following:

Description	Amount RM'000
Listing and processing fees for the Proposals	83
Other fees payable to authorities	4
Total	87

- (iii) The miscellaneous charges comprised of the following:

Description	Amount RM'000
Printing expenses	60
EGM expenses	21
Total	81

In the event the actual expenses are less than the allocated amount, the excess allocated amount shall be utilised as working capital for our Company. Any excess or shortfall of the actual proceeds raised will be adjusted towards or against the utilisation for the working capital.

The actual gross proceeds to be raised from the Proposed Rights Issue with Warrants will depend on the final issue price of the Rights Shares, which shall be determined in due course and the actual subscription level. Pending the utilisation of the proceeds from the Proposed Rights Issue with Warrants, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments of licenced financial institutions. The interests derived from the deposits with financial institutions or any gains arising from money market

financial instruments will be used for our working capital requirements, including the payment of staff salaries, operating and administrative expenses such as utilities, rental costs and upkeep of office which includes, amongst others, repair and/or maintenance of office equipment, office insurance as well as general cleaning services. The exact breakdown of such utilisation cannot be determined at this juncture as it would depend on the actual working capital needs of our Group at the relevant time.

The exact quantum of proceeds that may be raised by our Company from the exercise of the Warrants C will depend on the actual number of Warrants C that will be exercised as well as the Indicative Exercise Price of the Warrants C, which shall be determined in due course. The proceeds from the exercise of the Warrants C will be received on an "as and when basis" over the tenure of the Warrants C.

For illustrative purposes, based on an Indicative Exercise Price of RM0.0950 per Warrant C, the full exercise of the Warrants C will raise approximately RM4.45 million under the Minimum Scenario and approximately RM14.84 million under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants C in the future will be used for our working capital purposes such as purchase of raw materials, staff cost, rental cost and utilities within a period of 2 years from the receipt of the proceeds. The exact breakdown cannot be determined at this juncture and would depend on the actual requirements at the relevant time. Our Company proposes to utilise the proceeds to be received from the exercise of the Warrants C as and when received in the following manner:

Details of utilisation	Percentage of utilisation	
	Minimum Scenario (%)	Maximum Scenario (%)
General administrative and operating expenses such as rental, utilities, telephone charges and sundry expenses	100.00	80.00
Staff salaries and statutory contribution	-	20.00
Total	100.00	100.00

4. DETAILS OF OTHER EQUITY FUNDRAISING EXERCISES UNDERTAKEN

Save as disclosed below, there are no other fundraising exercises undertaken by our Company in the past 5 years before the date of this Circular and no other equity fundraising exercise undertaken of which proceeds raised have yet to be fully utilised.

Private Placement 2020

SGB had on 17 August 2020, announced a private placement exercise of up to 19,895,500 new Shares ("**Placement Shares 2020**"), representing approximately 10.00% of the Company's total number of issued Shares (excluding Treasury Shares, if any) ("**Private Placement 2020**"). The Private Placement 2020 was undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Act approved by our shareholders at our 11th AGM on 20 December 2019.

The Private Placement 2020 was deemed completed on 7 September 2020, with the listing of 14,637,000 Placement Shares 2020 on 7 September 2020, raising total gross proceeds of approximately RM7.11 million.

The details of the utilisation of the proceeds from the Private Placement 2020 as at the LPD are as follow:

Details of utilisation	Proposed utilisation of proceeds (RM'000)	Actual amount raised (RM'000)	Variation (RM'000)	Proceeds utilised (RM'000)
Repayment of borrowings	9,050	6,789	193	6,982 ^(a)
Expenses for the Private Placement 2020	400	320	(193)	127
Total	9,450	7,109	-	7,109

Note:

- (a) Our Group utilised RM6.98 million from the proceeds of the Private Placement 2020 to repay borrowings. The repayment was made in respect of banker's acceptance, which amounted to RM6.98 million and resulted in an estimated annual pre-tax interest savings of RM0.52 million. The banker's acceptance was originally drawn down to finance the Company's working capital.

Private Placement II and Rights Issue with Free Warrants B

SGB had on 29 January 2021, announced a private placement exercise of up to 61,882,400 new Shares, representing up to approximately 30.00% of the total number of issued Saudee Shares and renounceable rights issue of up to 536,314,564 Shares together with up to 268,157,282 Warrants B on the basis of 2 rights shares together with 1 free Warrant B for every 1 existing Share held by the entitled Shareholders on the entitlement date ("**Private Placement II and Rights Issue with Warrants B**").

Bursa Securities had vide its letter dated 25 February 2021 approved the listing and quotation of the Private Placement II and Rights Issue with Warrants B. Subsequently, our shareholders' had approved the Private Placement and Rights Issue with Free Warrants B at the EGM held on 26 March 2021.

The Private Placement was completed with the listing of 20,000,000 placement shares and 34,841,700 placement shares on 21 April 2021 and 26 April 2021, respectively, and raised total proceeds of approximately RM11.83 million. The Rights Issue with Warrants B was completed with the listing of and quotation for 474,820,122 rights shares and 237,410,060 Warrants B on 23 June 2021 and raised total gross proceeds of approximately RM71.22 million.

The details of the utilisation of the proceeds from the Private Placement II and Rights Issue with Free Warrants B as at the LPD are as follow:

Details of utilisation	Proposed utilisation of proceeds (RM'000)	Actual amount raised* (RM'000)	Variation (RM'000)	Proceeds utilised (RM'000)
Construction of a cold room	20,000	20,000	-	20,000 ^(a)
Expansion of production capacity	17,000	17,000	-	17,000 ^(b)
Marketing and advertisement	10,000	10,000	-	10,000 ^(c)
Repayment of borrowings	19,000	19,000	-	19,000 ^(d)

Details of utilisation	Proposed utilisation of proceeds (RM'000)	Actual amount raised* (RM'000)	Variation (RM'000)	Proceeds utilised (RM'000)
Acquisitions and/ or investment in complementary business and/or assets	15,000	15,000	-	15,000 ^(e)
Working capital	17,799	961	-	961 ^(f)
Expenses for the Private Placement II and Rights Issue with Free Warrants B	1,450	1,090	-	1,090
Total	100,249	83,051	-	83,051

Notes:

* The Company raised an aggregate of approximately RM83.05 million, comprising RM11.83 million from Private Placement II (via the issuance of 20,000,000 placement shares at RM0.2252 each and 34,841,700 placement shares at RM0.2102 each) and RM71.22 million from the Rights Issue with Warrants B.

(a) Construction of a cold room

The breakdown of utilisation of RM20.00 million from the proceeds are as follows:

Details	RM'000
Cold room for dry store and structure with electrical installation in Sungai Petani, Kedah	7,153
Cold room with cooling system and racking system in Sungai Petani, Kedah	12,847
Total	20,000

(b) Expansion of production capacity

The breakdown of utilisation of RM17.00 million from the proceeds are as follows:

Details	RM'000
2 units of auto weighing machine and equipment	1,795
3 units of mixing machine	1,824
Peeling, oven and deboning machine	1,681
Stuffing machine and forming machine and equipment	6,137
Burger forming machine and equipment	1,985
Packing machine	1,611
Manufacturing system – enterprise resource planning	1,967
Total	17,000

(c) Marketing and advertisement

The breakdown of utilisation of RM10.00 million from the proceeds are as follows:

Details	RM'000
Marketing and promotion – sales office and rebranding	4,059
Promotion, contribution and sponsorships	5,941
Total	10,000

(d) Repayment of borrowings

The breakdown of utilisation of RM19.00 million from the proceeds are as follows:

<u>Type of facility</u>	<u>Repayment amount RM'000</u>	<u>Estimated annual pre-tax interest savings RM'000</u>
Overdraft ⁽ⁱ⁾	2,663	213
Term loan ⁽ⁱⁱ⁾	5,235	392
Hire purchase ⁽ⁱⁱⁱ⁾	590	38
Bankers' acceptance ⁽ⁱ⁾	10,512	788
Total	19,000	1,431

Notes:

(i) Overdraft and bankers' acceptance were drawn down to finance the working capital requirements of the Group.

(ii) Term loan was drawn down to finance the purchase of a parcel of industrial land located in Sungai Petani, Kedah together with the factory erected thereon.

Conditional sale and purchase agreement dated 2 January 2009 was entered between PSSB, our wholly-owned subsidiary and WSSB for the acquisition of a lease of 99 years leasehold land known as Lot PT No. 30508, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah measuring approximately 30,350.9 square meters together with a factory building erected on thereon bearing assessment address of Plot 331, Jalan PKNK 3/7, Kawasan Perusahaan Sungai Petani, Fasa 3, 08000 Sungai Petani, Kedah for a purchase consideration of RM12.00 million which was satisfied partly in cash and partly via the settlement of the amount owed to PSSB by WSSB. The acquisition was completed on 2 September 2009.

The parcel of industrial land together with the factory erected thereon is currently used for our Group's manufacturing operations.

(iii) Hire purchase facilities were used for the financing of plant, machinery and factory equipment as well as motor vehicles.

(e) Acquisitions and/or investment in complementary business and/or assets

The breakdown of utilisation of RM15.00 million from the proceeds are as follows:

<u>Details</u>	<u>RM'000</u>
Acquisition of a freehold of 4½-storey shoplot building in Bukit Damansara, Kuala Lumpur ⁽ⁱ⁾	7,900
Acquisition of a freehold of 4-storey shoplot building in Petaling Jaya, Selangor ⁽ⁱⁱ⁾	6,150
Professional fees and statutory fees in relation to the acquisition of properties	950
Total	15,000

Notes:

- (i) Sale and purchase agreement dated 17 December 2021 was entered between PSSB, our wholly-owned subsidiary and Stocks N Options Sdn Bhd for the acquisition of a freehold of 4½-storey shophot building measuring approximately 549 square meters and bearing the postal address of No. 32 (consist of 32-G, 32-M, 32-1, 32-2 and 32-3), Plaza Damansara, Jalan Medan Setia 2, Bukit Damansara, 50480 Kuala Lumpur, Wilayah Persekutuan for the purchase consideration of RM7.30 million. In addition, our Group also paid an amount of RM0.60 million to carry out the repair work of structural damage of the property.

The properties are currently leased out under operating lease agreements with tenants, with monthly rental income of approximately RM0.02 million per month.

- (ii) Sale and purchase agreement dated 7 April 2022 was entered between PSSB, our wholly-owned subsidiary and Beh Tong Sdn Bhd for the acquisition of a freehold 4-storey shophot building measuring approximately 156 square meters and bearing the postal address of No. 44, Jalan SS 2/67, 47300 Petaling Jaya, Selangor for the purchase consideration of RM6.15 million.

The properties are currently leased out under operating lease agreements with tenants, with monthly rental income of approximately RM0.01 million per month.

- (f) Working capital

The breakdown of utilisation of RM0.96 million from the proceeds are as follows:

Type of facility	RM'000
Purchase of raw materials	961
Total	961

Private Placement 2021

SGB had on 13 October 2021, announced a private placement of up to 143,217,500 SGB Shares ("**Placement Shares 2021**"), representing approximately 20.00% of the Company's total number of issued Shares (excluding Treasury Shares, if any). The Private Placement 2021 was undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Act approved by our shareholders at our 12th AGM on 21 December 2020 ("**Private Placement 2021**").

The Private Placement 2021 was completed on 16 December 2021, with the listing of 69,000,000 Placement Shares 2021 on 9 November 2021 and 74,217,500 Placement Shares 2021 on 16 December 2021, raising total gross proceeds of approximately RM8.51 million.

The details of utilisation of the proceeds from the Private Placement 2021 as at the LPD are as follows:

Details of utilisation	Proposed utilisation of proceeds (RM'000)	Actual amount raised* (RM'000)	Variation (RM'000)	Proceeds utilised (RM'000)
Business expansion to China	9,398	8,334	-	8,334 ^(a)
Expenses for the private placement	412	180	-	180
Total	9,810	8,514	-	8,514

Notes:

- * The Company raised an aggregate of approximately RM8.51 million, comprising RM4.60 million via the issuance of 69,000,000 placement shares at RM0.0666 each and RM3.92 million via the issuance of 74,217,500 placement shares at RM0.0528 each.

(a) Business expansion to China

The breakdown of utilisation of RM8.33 million from the proceeds are as follows:

Details	RM('000)
Cold rooms and cooling system in Sungai Petani, Kedah	3,465
Purchase of raw materials	3,569
Staff salaries and statutory contribution	1,300
Total	8,334

For the avoidance of doubt, the actual proceeds raised from the Private Placement 2021 have been fully utilised for our Group's operations in Malaysia, and none of the proceeds were utilised for the previously proposed expansion into China. Our Group had initially contemplated expanding into China by establishing a branch office and cold room in the Kwai Chung area of the Hong Kong Special Administrative Region. However, after reassessing market conditions and cost considerations, our Board has decided not to proceed with this plan. As at the LPD, our Group has not entered into any lease or operational arrangements in China and there has been no contribution from China to our Group's financial performance.

Private Placement 2023 and SIS

The Company had on 17 August 2022 announced to undertake private placement of up to 347,000,000 Shares and establishment of a share issuance scheme of up to 15.00% of the total number of issued Shares (excluding Treasury Shares, if any) to the eligible directors and eligible employees of the Group ("**Private Placement 2023 and SIS**"). On 26 October 2022, the Company obtained shareholders' approval for the Private Placement 2023 and SIS at the EGM held on even date.

On 22 August 2023, the Private Placement 2023 was completed following the issuance and allotment of 347,000,000 placement shares, raising total gross proceeds of approximately RM8.09 million.

The details of utilisation of the proceeds from the Private Placement 2023 as at the LPD are as follows:

Details of utilisation	Proposed utilisation of proceeds (RM'000)	Actual amount raised (RM'000)	Variation (RM'000)	Proceeds utilised (RM'000)
Automation of manufacturing processes	5,000	5,000	-	5,000 ^(a)
Upgrading of logistic and distribution system	4,000	2,635	-	2,635 ^(b)
Working capital	4,430	-	-	--
Estimated expenses for the Private Placement 2023 and SIS	450	450	-	450
Total	13,880	8,085	-	8,085

Notes:(a) Automation of manufacturing processes

The breakdown of utilisation of RM5.00 million from the proceeds from the Private Placement 2023 was as follows:

Details	RM'000
2 units of IQF – Individual Quick-Frozen system	5,000
Total	5,000

The 2 units of IQF – Individual Quick-Frozen systems were installed at our Company's existing manufacturing plant in Sungai Petani, Kedah. The systems are currently undergoing commissioning and testing stage, which is expected to be fully completed by May 2026.

(b) Upgrading of logistic and distribution system

The breakdown of utilisation of RM2.63 million from the proceeds from the Private Placement 2023 was as follows:

Details	RM'000
4 units of trucks	1,510
5 units of forklifts	1,125
Total	2,635

The Company raised total proceeds of approximately RM7.49 million from the SIS, comprising RM5.47 million via the issuance of 148,736,000 new SGB shares at RM0.0368 each on 9 November 2022 and RM2.02 million via the issuance of 74,360,000 shares at RM0.0271 each on 5 January 2024. The details of utilisation of the proceeds from the SIS as at the LPD are as follows:

Details of utilisation	Actual amount raised (RM'000)	Variation (RM'000)	Proceeds utilised (RM'000)
Working capital	7,489	-	7,489 ^(a)
Total	7,489	-	7,489

(a) Working capital

The breakdown of utilisation of RM7.49 million from the proceeds are as follows:

Type of facility	RM'000
Purchase of raw materials	7,489
Total	7,489

As at the LPD, there is no outstanding options under the SIS which has been granted but yet to be exercised. The Company does not intend to grant any options under the SIS and resolved not to resell its Treasury Shares prior to the Rights Entitlement Date.

5. RATIONALE FOR THE PROPOSALS

5.1 Proposed Share Consolidation

The Proposed Share Consolidation is expected to enhance our Company's share capital structure. As SGB Shares are currently traded at relatively low trading price range, a small absolute movement in the share price may be significant in percentage terms. The Proposed Share Consolidation will result in a reduction in the number of SGB Shares available in the market that may potentially reduce the volatility of the trading price for SGB Shares.

As illustrated in Section 2.1.1 of this Circular, the Proposed Share Consolidation will increase the reference price per Share which may enhance our Company's profile amongst investors. Our Board is of the view that the higher trading price of SGB Shares following the Proposed Share Consolidation will encourage investors to view the Consolidated Shares as a long-term investment and attract investors with similar long-term investment horizon.

5.2 Proposed Rights Issue with Warrants

The rationale for the Proposed Rights Issue with Warrants are as follows:

- (a) The Proposed Rights Issue with Warrants will enable our Company to raise the required funds for purposes set out in Section 3 of this Circular without incurring additional interest cost which would arise if our Company was to obtain further bank borrowings to fund the aforesaid purposes, which are expected to contribute positively towards the future earnings of our Company;
- (b) The Proposed Rights Issue with Warrants will strengthen the financial position of our Company with enhanced shareholders' funds. These factors are expected to facilitate the continuous business expansion plans of our Company;
- (c) The Proposed Rights Issue with Warrants will also provide an opportunity for the existing shareholders to increase their equity participation in our Company and to benefit from the growth of our Company's current and future investments;
- (d) The Proposed Rights Issue with Warrants will involve the issuance of new Shares without diluting the existing shareholders' equity interest, assuming all Rights Entitled Shareholders fully subscribe for their respective entitlements;
- (e) The Proposed Rights Issue with Warrants will increase the number of Shares in circulation which may potentially enhance the liquidity and marketability of Shares on the Main Market of Bursa Securities;
- (f) The Warrants C attached to the Rights Shares are expected to enhance the attractiveness of the Rights Shares. It provides the shareholders with the option to further participate in the equity of our Company at a pre-determined price and enable them to benefit from the future growth of our Company and any potential capital appreciation arising thereof; and
- (g) The Warrants C will also provide our Company with additional capital when they are exercised. The exercise of the Warrants C will allow our Company to raise fresh proceeds without incurring additional financing cost and minimise any potential cash outflow in respect of interest servicing.

6. INDUSTRY OVERVIEW AND PROSPECTS

6.1 Overview and prospects of the Malaysian economy

The Malaysian economy advanced by 6.3% in the fourth quarter of 2025 (3Q 2025: 5.4%), driven mainly by domestic demand. Growth in household spending was higher, driven by positive labour market conditions and income-related policy support. The strong investment growth was underpinned by stronger machinery and equipment spending, particularly for data centres and ongoing implementation of multi-year projects by both the private and public sectors. In the external sector, exports continued to strengthen, led mainly by stronger exports of electrical and electronics (“**E&E**”) goods. Inbound tourism and information and communication technology (“**ICT**”)-related services also contributed to services exports growth and surplus in the current account balance. Meanwhile, imports remained strong driven by the rebound in intermediate goods to support economic activity and productive capital-related goods reflecting the realisation of ongoing investment projects.

On the supply-side, growth was mainly accounted by the expansion in the services and manufacturing sectors. Higher growth in the services sector was mainly driven by consumer-related subsectors, government services as well as ICT subsector following the operationalisation of data centres. In the manufacturing sector, performance was driven by stronger production in the E&E subsector induced by higher demand from the global technology expansion, alongside the increased output of consumer-related goods. Meanwhile, the agriculture sector strengthened, reflecting higher growth for palm oil amid less severe floods compared to last year. On a quarter-on-quarter seasonally-adjusted basis, growth expanded by 0.8% (3Q 2025: 2.7%).

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025, Bank Negara Malaysia)

In 2026, Malaysia’s economy is projected to expand between 4.0% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System (SSPA), continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026 (“**VM2026**”). In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

Malaysia’s economy remains strong. Growth is projected to continue within the range of 4.0% to 4.5% in 2026. These projections are consistent with the International Monetary Fund (IMF) in the World Economic Outlook Update, July 2025, which forecasts Malaysia’s growth at 4.0% for 2026. The growth will mainly be underpinned by strong domestic demand, moderate inflation, favourable labour market and proactive policies undertaken by the Government. The performance will also be supported by the ASEAN-Malaysia Chairmanship 2025 and VM2026. The economy continues to be steered by the Ekonomi MADANI framework and the Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, thus contributing to a higher labour income share.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

6.2 Overview and outlook of the frozen processed food industry in Malaysia

Frozen processed food comprises various food categories such as frozen meat and seafood, frozen bakery products, and frozen prepared meals and food products. The sales value of frozen prepared meals and food products in Malaysia increased from RM2.59 billion in 2021 to RM4.26 billion in 2024, at a compound annual growth of 18.04%.

The sales value of frozen prepared meals and food products in Malaysia recorded an increase of 32.43% in 2022 due to an increase in consumption of frozen prepared meals and food products, which stemmed from the increase in retail sales and sales to food and beverage (“F&B”) outlets as a result of the recovery of economic activities in the country, including the return of workers to offices, resumption of dine-ins and re-opening of the country’s international borders for tourism, as movement restrictions imposed by the Government due to the pandemic were gradually lifted. In 2023 and 2024, the sales value of frozen prepared meals and food products in Malaysia increased by 18.66% and 4.67% respectively, in line with the gradual normalisation of economic activities in the country.

Following the return of workers to offices and the re-opening of the country’s international borders, the resumption of busy urban lifestyles and the revival of the tourism industry are expected to drive the F&B services industry in Malaysia. As F&B outlets receive more dine-in customers, the demand for frozen processed food is expected to increase. Further, some consumers may prefer home-cooking which will continue to sustain demand for frozen processed food. As such, SMITH ZANDER forecasts the sales value of frozen prepared meals and food products in Malaysia to increase by 3.76% to RM4.42 billion in 2025.

(Source: Independent Market Research Report prepared by SMITH ZANDER)

6.3 Prospects and future plan our Company

Our Group will focus on increasing production capacity to meet the growing demand for healthier and higher quality fried products. A key aspect of this strategy will be to increase production of FPP to meet growing market demand. To support this, our Group intends to invest in expanding our manufacturing capabilities by purchasing new machinery and equipment, ensuring that it can produce a large volume of high-quality products while maintaining consistency and standard.

In addition to boosting production, the additional funds for working capital from the Proposals will cater the needs for product innovation, R&D and operating and administrative expenses. These funds will facilitate the development of new products and enhancing existing ones to meet market demand. They will also cover the purchase of raw materials needed for production as our Group scales its operations. Additionally, the funds will cover our staff-related costs (such as salaries, allowances and statutory contributions for our employees). This investment will ensure our Group can meet increasing capacity requirements, maintain efficient operations, and support our expansion strategy in the coming years.

Moving forward, our Group plans to strengthen our brand awareness and explore new business opportunities by setting up burger stores, food trucks and/or kiosk. To build a sustainable venture, we will undertake the following strategies:

- all food products sold through the stores, food trucks and kiosk will be sourced from our manufacturing plant in Kedah, allowing us to closely manage the quality, cost and supply consistency;
- we intend to focus on Klang Valley and North Malaysia, where proximity to our plant will enable efficient logistics and timely supply of to support daily operations; and
- each outlet’s performance will be closely monitored and further outlets will only be set up when commercially viable opportunities arise, enabling the Group to benefit from economies of scale and avoid overexpansion.

Our Group aims to introduce our brand to a broader audience, enhance its visibility, and establish a strong presence in the competitive food and beverage industry. This expansion will enhance our Group's branding efforts and drive revenue growth.

Furthermore, our Group will maintain our focus on cost-reduction and efficiency improvement across its operations. In line with its long-term goals, our Group will also invest in solar panel installations for the factory, which will help reduce energy consumption and further optimise operational costs. This will both contribute to cost savings and support our Group's commitment to sustainable energy practices in the years ahead.

(Source: Management of our Company)

6.4 Value creation and impact of the Proposals to our Group and our securities holders

As set out in Section 2.1 of this Circular, the Proposed Share Consolidation will result in an adjustment to the reference price of SGB Shares, as listed and quoted on the Main Market of Bursa Securities, but will not have any impact on the total market value of the Consolidated Shares held by the Company's shareholders. The higher reference/trading prices of SGB Shares resulting from the Proposed Share Consolidation: (i) may reduce the volatility of the trading price for the SGB Shares; and (ii) may enhance the profile and corporate image of SGB which, in turn, render the Consolidated Shares more attractive.

In addition, the Proposed Share Consolidation is undertaken to enhance our Company's capital structure as well as to facilitate the Proposed Rights Issue with Warrants. The higher share price resulting from the Proposed Share Consolidation will allow us to have more flexibility in fixing the issue price for the Proposed Rights Issue with Warrants.

While, the Proposed Rights Issue with Warrants is not expected to result in an immediate turnaround in our Group's financial performance, it will enable our Group to raise the required funds as set out in Section 3 of this Circular, which in turn facilitates the value creation to the Group and shareholders.

The proposed utilisation for the future expansion of business will allow us to acquire and/or invest in quality companies/businesses in the food industry to broaden and complement its existing products offering and create additional stream of revenue. The additional working capital will support the purchase of raw materials in anticipation of increased production capacity, providing flexibility in working capital allocation and efficiency.

The Proposed Rights Issue with Warrants also provides Rights Entitled Shareholders the opportunity to participate in our Company's prospects and long-term growth by subscribing to the Rights Shares at a discount to the TEAP of SGB Shares. It also allows them to increase their equity participation by exercising Warrants C at a predetermined price during their tenure. There will be no dilution to the percentage shareholding of the Rights Entitled Shareholders who subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants.

As illustrated in Sections 7.1 and 7.2 of this Circular, the Proposals are expected to enlarge our issued share capital of SGB, thereby increase our shareholder's equity and enhance our overall financial position. Based on the FYE 2025 and the Indicative Rights Issue Price and the Indicative Exercise Price, the NA position of SGB Group is expected to improve from RM118.98 million to approximately RM131.18 million (Minimum Scenario) and up to approximately RM162.34 million (Maximum Scenario), with gearing ratio expected to 0.01 times upon completion of the Proposals and full exercise of the Warrants C.

However, in the event none of the Rights Entitled Shareholders subscribe for their respective entitlements under the Proposed Rights Issue with Warrants, their shareholdings in our Company will be diluted. Further information on the pro forma effects of the Proposals on the shareholding of SGB in our Company is set out in Section 7.3 of this Circular.

6.5 Adequacy of the Proposals in addressing our Group's financial concerns

The Proposals will enable our Group to achieve the following objectives:

- (a) to serve as an interim measure to meet our Group's immediate and urgent funding needs as set out in Section 3 of this Circular; and
- (b) to improve our Company's financial position, as illustrated in Section 7.2 of this Circular.

At this juncture, our Board is of the opinion that the Proposals are adequate in addressing the immediate financial needs of our Group and ensure business continuity is not affected by cash flow constraints. However, when the proceeds are fully utilised, it is expected to enhance our future earnings. In addition, should our Group acquire a new business in the food industry, it is also expected to further bring in a new stream of earnings and allowed us to capitalise on potential economic of scale.

Our Group will also continue to assess its operational and financial position on an ongoing basis and will take appropriate steps to ensure long-term sustainability and value creation for its stakeholders.

6.6 Steps or action which have been taken/will be taken to improve our Company financial condition

Our Group has undertaken the following steps to improve its financial condition:

- (a) as set out in Section 4 of this Circular, our Group has undertaken several fundraising exercises over the past 5 years, which enabled our Group to raise proceeds mainly for the acquisition of additional machinery and equipment, the construction of a cold room in Sungai Petani, Kedah, factory improvement and upgrading works as well as the repayment of borrowings. These funds have supported the expansion of our production capacity to meet the growing demand for frozen processed food, resulting in an increase in revenue of RM5.04 million or 6.42% to RM83.55 million in FYE 2024 (FYE 2020: RM78.51 million). In addition, approximately RM25.98 million of the proceeds were utilised to repay borrowings, leading to an estimated annual pre-tax interest saving of about RM1.95 million, and an improved gearing ratio from 0.95 times in FYE 2020 to 0.01 times in FYE 2025;
- (b) to improve and maintain cost efficiencies, our Group has adopted automation systems in its manufacturing facility in Sungai Petani, Kedah. The automation upgrades are expected to enhance operational efficiency by, among others, reducing manual labour costs and increasing production capacity; and
- (c) as part of our strategic expansion plan, our Group continuously assesses the business opportunities through acquiring and/or investing in good value, high quality businesses in food industry. As at the LPD, our Company has identified a potential target engaged in the processing and distribution of seafood products, which is complementary to our Group's existing business and may generate positive returns for our Group and increase shareholder's value.

6.7 Historical financial information of our Group

The following table sets out a summary of the audited financial performance of our Group for the FYE 2022, FYE 2023, FYE 2024, FYE 2025 and unaudited FPE 2025 as well as unaudited FPE 2026:

	Audited				Unaudited	
	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2025	FPE 2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	96,880	95,583	83,545	87,551	21,955	21,679
Gross profit ("GP")	17,822	13,294	6,336	3,034	1,577	1,974
Profit/(Loss) before tax ("PBT/LBT")	3,960	(7,290)	(5,706)	(21,758)	249	1,202
(Loss)/Profit after tax ("LAT/PAT")	(4,406)	(7,367)	(6,063)	(21,798)	249	1,202
LAT/PAT attributable to the owners of the parent	(4,406)	(7,367)	(6,063)	(21,538)	249	1,283

Financial commentaries between FYE 2022 and FYE 2023

For the FYE 2023, the Group recorded a decrease of RM1.30 million or 1.34% in revenue to RM95.58 million (FYE 2022: RM96.88 million). The slight decrease in revenue was mainly attributable to lower contributions from the HORECA, OEM and trading segments, which were partially offset by higher revenue generated from the FPP segment. The FPP segment recorded higher revenue by RM20.03 million, driven by increased demand for frozen prepared meals and foods products, in line with higher in-home food consumption as these products can be stored for longer period.

The Group recorded a higher LAT of RM7.37 million in FYE 2023 compared to LAT of RM4.41 million in FYE 2022, mainly due to the increase in employee benefit expense by RM1.78 million as a result of the implementation of minimum wages and loss on disposal of other investments amounting to RM3.13 million, respectively.

Financial commentaries between FYE 2023 and FYE 2024

For the FYE 2024, the Group recorded a decrease of RM12.03 million or 12.59% in revenue to RM83.55 million (FYE 2023: RM95.58 million). The decrease in revenue was mainly attributed to the:

- (a) lower revenue generated from FPP segment by RM6.37 million or 7.56% due to decrease in demand from FPP as a result of changing in trends of consumer behaviour for frozen FPP products after post pandemic period; and
- (b) discontinued of trading segment during the financial year under review. The stop of trading activities mainly due to lower margin and cost impact during the second half of FYE 2023.

The Group recorded a lower LAT of RM6.06 million in FYE 2024 compared to LAT of RM7.37 million in FYE 2023, mainly due to decrease in fair value loss on other investments by RM2.26 million and selling and distribution expenses by RM1.76 million as continuing effort in implementing of cost reduction programme by management.

Financial commentaries between FYE 2024 and FYE 2025

For the FYE 2025, the Group recorded an increase of RM4.00 million or 4.79% in revenue to RM87.55 million (FYE 2024: RM83.55 million). The increase in revenue was mainly contributed by FPP segment, due to the higher customer demand in this segment, as demand for frozen prepared meals and food products rose in line with increased in-home food consumption.

The Group recorded an increase in LAT by RM15.74 million to RM21.80 million in FYE 2025 compared to LAT of RM6.06 million in FYE 2024. The significant increase in LAT was attributed to the fair value loss on other investments by RM15.25 million, arising from the decline in the market value of the investment in quoted shares in Malaysia, particularly in Bioalpha Holdings Berhad, Oversea Enterprise Berhad, Permaju Industries Berhad, Symphony Life Berhad, Parlo Berhad. The total market value of the aforementioned investment declined from RM19.15 million in FYE 2024 to RM6.87 million in FYE 2025, resulting in a fair value loss of RM12.28 million. The fair value loss represents an unrealised loss which was recognised in profit or loss. The remaining balance was mainly contributed by the increase in raw material costs, amortisation and depreciation.

Financial commentaries between FPE 2025 and FPE 2026

For the FPE 2026, the Group recorded a decrease of RM0.28 million or 1.28% in revenue to RM21.68 million (FPE 2025: RM21.96 million). The decrease in revenue was due to the decrease demand from customers mainly from FPP segment by RM3.17 million. However, the impact of reducing in revenue from FPP segment was offset by increasing in revenue from HORECA and OEM segment by RM2.89 million as compared to preceding year corresponding quarter.

The Group recorded an increase in PAT by RM0.95 million to RM1.20 million in FPE 2026 compared to PAT of RM0.25 million in FPE 2025, mainly due to the reduction in operating costs arising from the continuing cost reduction programme implemented for material and operation costs.

7. FINANCIAL EFFECTS OF THE PROPOSALS

Where applicable, the pro forma effects of the Proposals are presented purely for illustration purposes based on the Indicative Rights Issue Price of the Rights Shares and the Indicative Exercise Price of the Warrants C.

This should not be regarded as an indication or reference to the final issue price of the Rights Shares and Warrants C of the Proposed Rights Issue with Warrants which will be determined by our Board and announced closer to the implementation of the Proposed Rights Issue with Warrants.

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7.1 Issued share capital

For illustration purposes, the pro forma effect of the Proposals on the issued share capital of the SGB is as follows:

	Minimum Scenario		Maximum Scenario	
	No. of SGB Shares	RM	No. of SGB Shares	RM
Issued share capital as at the LPD Proposed Share Consolidation	1,561,673,319 (i)(1,405,505,988)	179,457,770	1,561,673,319 (i)(1,405,505,988)	179,457,770
After Proposed Share Consolidation	156,167,331	179,457,770	156,167,331	179,457,770
Proposed Rights Issue with Warrants	(ii)93,684,200	(iii)(iv)3,178,210	(v)312,334,662	(vi)(vii)13,482,879
After the Proposed Rights Issue with Warrants	249,851,531	182,635,980	468,501,993	192,940,649
Full exercise of the Warrants C	(ii)46,842,100	(vi)9,021,789	(v)156,167,331	(viii)29,874,810
Enlarged issued share capital	296,693,631	191,657,769	624,669,324	222,815,459

Notes:

- (i) Based on the consolidation of every 10 SGB Shares held by the Share Consolidation Entitled Shareholders on the Share Consolidation Entitlement Date, into 1 Consolidated Share.
- (ii) Based on 93,684,200 Rights Shares and 46,842,100 Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants.
- (iii) Based on Indicative Rights Issue Price and after accounting for the creation of warrant reserve of RM4,571,789 under Minimum Scenario.
- (iv) After deducting the estimated expenses for the Proposals of RM1.15 million that are directly attributable to the issuance of the Rights Shares and therefore will be set off against the share capital in accordance with paragraph 37 of the MFRS 132.
- (v) Based on 312,334,662 Rights Shares and 156,167,331 Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants.
- (vi) Based on Indicative Rights Issue Price and after accounting for the creation of warrant reserve of RM15,038,914 under Maximum Scenario.
- (vii) Based on the Indicative Exercise Price of Warrant C and after accounting for the reversal of warrant reserve of RM4,571,789 under Minimum Scenario.
- (viii) Based on the Indicative Exercise Price of Warrant C and after accounting for the reversal of warrant reserve of RM15,038,914 under Maximum Scenario.

7.2 NA and gearing

The pro forma effect of the Proposals on the NA and gearing of the SGB, based on the audited consolidated financial statements of our Group for FYE 2025, is set out below:

Minimum Scenario

	(I)	(II)	(III)
	Audited as at 31 July 2025	(i) After Proposed Share Consolidation	After (I) and Proposed Rights Issue with Warrants
	RM	RM	RM
Share capital	179,457,770	179,457,770	(iv) 191,657,769
Treasury shares	(118,276)	(118,276)	(118,276)
Other reserves	2,694,729	2,694,729	2,694,729
Merger deficit	(29,296,614)	(29,296,614)	(29,296,614)
Accumulated losses	(33,850,337)	(33,850,337)	(33,850,337)
Shareholders' equity / NA attributable to owners of the Company	118,887,272	118,887,272	131,087,271
Non-controlling interest	95,486	95,486	95,486
Total equity / NA	118,982,758	118,982,758	131,182,757
No. of Shares in issue, excluding treasury shares	1,561,673,319	(i) 156,167,331	(ii) 249,851,531
NA per Share (RM)	0.08	0.76	0.51
Total borrowings (RM)	1,038,031	1,038,031	1,038,031
Gearing ratio (times)	0.01	0.01	0.01

Notes:

- (i) Based on the consolidation of every 10 SGB Shares held by the Share Consolidation Entitled Shareholders on the Share Consolidation Entitlement Date, into 1 Consolidated Share.
- (ii) Based on 93,684,200 Rights Shares and 46,842,100 Warrants C to be issued under the Minimum Scenario.
- (iii) Based on Indicative Rights Issue Price of RM0.0950 per Rights Share and after accounting for the creation of warrant reserve of RM4,571,789 based on the fair value of RM0.0976 per Warrant C as at the LPD under Minimum Scenario.
- (iv) Based on the Indicative Exercise Price of Warrants C and after accounting for the reversal of warrant reserve of RM4,571,789.

- (v) After deducting the estimated expenses for the Proposals of RM1.15 million that are directly attributable to the issuance of the Rights Shares and therefore will be set off against the share capital in accordance with paragraph 37 of the MFRS 132.

Maximum Scenario

	(I)	(II)	(III)
	(i) After Proposed Share Consolidation	After (I) and Proposed Rights Issue with Warrants	After (II) and assuming full exercise of Warrant C
	RM	RM	RM
Share capital	179,457,770	(ii)(iii)(v)192,940,649	(v)222,815,459
Treasury shares	(118,276)	(118,276)	(118,276)
Other reserves	2,694,729	(iii)17,733,643	2,694,729
Merger deficit	(29,296,614)	(29,296,614)	(29,296,614)
Accumulated losses	(33,850,337)	(33,850,337)	(33,850,337)
Shareholders' equity / NA attributable to owners of the Company	118,887,272	147,409,065	162,244,961
Non-controlling interest	95,486	95,486	95,486
Total equity/NA	118,982,758	147,504,551	162,340,447

No. of Shares in issue, excluding treasury shares
 NA per Share (RM)
 Total borrowings (RM)
 Gearing ratio (times)

(i)156,167,331
 0.76
 1,038,031
 0.01

(ii)468,501,993
 0.31
 1,038,031
 0.01

(v)624,669,324
 0.26
 1,038,031
 0.01

Notes:

- (i) Based on the consolidation of every 10 SGB Shares held by the Share Consolidation Entitled Shareholders on the Share Consolidation Entitlement Date, into 1 Consolidated Share.
- (ii) Based on 312,334,662 Rights Shares and 156,167,331 Warrants C to be issued under the Minimum Scenario.
- (iii) Based on Indicative Rights Issue Price and after accounting for the creation of warrant reserve of RM15,038,914 based on the fair value of RM0.0963 per Warrant C as at the LPD under Maximum Scenario.
- (iv) Based on the Indicative Exercise Price of Warrants C and after accounting for the reversal of warrant reserve of RM15,038,914.

- (v) After deducting the estimated expenses for the Proposals of RM1.15 million that are directly attributable to the issuance of the Rights Shares and therefore will be set off against the share capital in accordance with paragraph 37 of the MFRS 132.

7.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposals on the shareholdings of our Company's substantial shareholders are as follows:

Minimum Scenario

Substantial shareholders	As at the LPD			After the Proposed Share Consolidation (I)		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(i)%	No. of Shares	No. of Shares	(ii)%	No. of Shares
FDCSB	206,050,000	13.19	-	20,605,000	13.19	-
Focus Dynamics Group Berhad ^(vi)	-	-	(ii)206,050,000	-	-	(ii)20,605,000
Tay Ben Seng, Benson	1,597,500	0.10	-	159,750	0.10	-
Underwriter	-	-	-	-	-	-
Public shareholders	1,354,025,819	86.71	-	135,402,581	86.71	-

Substantial shareholders	After (I) and the Proposed Rights Issue with Warrants			After (II) and assuming full exercise of the Warrants C		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(iv)%	No. of Shares	No. of Shares	(v)%	No. of Shares
FDCSB	20,605,000	8.25	-	20,605,000	6.94	-
Focus Dynamics Group Berhad ^(vi)	-	-	(ii)20,605,000	-	-	(ii)20,605,000
Tay Ben Seng, Benson	53,843,950	21.55	-	80,686,050	27.20	-
Underwriter	40,000,000	16.01	-	60,000,000	20.22	-
Public shareholders	135,402,581	54.19	-	135,402,581	45.64	-

Notes:

- (i) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
- (ii) Deemed interest by virtue of its wholly-owned subsidiary's substantial shareholding in our Company.
- (iii) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).

- (iv) Based on the enlarged issued share capital of 249,851,531 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants.
- (v) Based on the enlarged total number of 296,693,631 Shares (excluding 26,700 treasury shares) assuming full exercise of the Warrants C.
- (vi) The substantial shareholders of Focus Dynamics Group Berhad as follows:

Substantial shareholders	No. of share held			
	Direct		Indirect	
	No. of shares	(%)	No. of shares	(%)
Asiabio Capital Sdn Bhd	1,651,897,076	25.92	-	-
Fintec Global Berhad ⁽ⁱ⁾	-	-	**1,951,897,076	30.63

Notes:

- ** Deemed interest through the shares held by Asiabio Capital Sdn Bhd and Fintec Global Limited, the wholly owned subsidiaries of Fintec Global Berhad.
- (i) Based on the issued capital of 6,372,205,736 of Focus Dynamics Group Berhad.
- (ii) The substantial shareholders of Fintec Global Berhad as follows:

Substantial shareholders	No. of share held			
	Direct		Indirect	
	No. of shares	(%)	No. of shares	(%)
CPE Growth Capital Limited	1,061,272	0.52	-	-
Adamas Finance Asia Limited	-	-	***1,061,272	0.52

Notes:

- *** Deemed interest by virtue of the shareholdings in CPE Growth Capital Limited.
- (i) Based on the issued capital of 204,983,622 of Fintec Global Berhad.
(Source: Fintec Global Berhad -2025 Annual Report)

- (vii) As illustrated above, should the public shareholders not subscribe to the Proposed Rights Issue with Warrants resulting in a Minimum Subscription Level, their shareholding may be diluted from 86.71% as at the LPD to 45.64% upon full exercise of Warrants C.

Maximum Scenario

Substantial shareholders	As at the LPD				(I) After the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(i)%	No. of Shares	(i)%	No. of Shares	(ii)%	No. of Shares	(ii)%
FDCSB	206,050,000	13.19	-	-	20,605,000	13.19	-	-
Focus Dynamics Group Berhad ^(vi)	-	-	(ii)206,050,000	13.19	-	-	(ii)20,605,000	13.19
Public shareholders	1,355,623,319	86.81	-	-	135,562,331	86.81	-	-

Substantial shareholders	(II) After (I) and the Proposed Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(iv)%	No. of Shares	(iv)%	No. of Shares	(v)%	No. of Shares	(v)%
FDCSB	61,815,000	13.19	-	-	82,420,000	13.19	-	-
Focus Dynamics Group Berhad ^(vi)	-	-	(ii)61,815,000	13.19	-	-	(ii)82,420,000	13.19
Public shareholders	406,686,993	86.81	-	-	542,249,324	86.81	-	-

Notes:

- (i) Based on the issued share capital of 1,561,673,319 Shares (excluding Treasury Shares) as at the LPD.
- (ii) Deemed interest by virtue of its wholly-owned subsidiary's substantial shareholding in our Company.
- (iii) Based on the 156,167,331 Consolidated Shares (excluding 26,700 treasury shares).
- (iv) Based on the enlarged issued share capital of 468,501,993 Shares (excluding 26,700 treasury shares) after Proposed Rights Issue with Warrants.
- (v) Based on the enlarged total number of 624,669,324 Shares (excluding 26,700 treasury shares) assuming full exercise of the Warrants C.

(vi) The substantial shareholders of Focus Dynamics Group Berhad as follows:

	No. of share held	
	Direct	Indirect
Substantial shareholders	No. of shares	No. of shares
	(%)	(%)
Asiablo Capital Sdn Bhd	1,651,897,076	25.92
Fintec Global Berhad ⁽ⁱ⁾	-	**1,951,897,076
		30.63

Notes:

** Deemed interest through the shares held by Asiablo Capital Sdn Bhd and Fintec Global Limited, the wholly owned subsidiaries of Fintec Global Berhad.

(i) Based on the issued capital of 6,372,205,736 of Focus Dynamics Group Berhad.

(ii) The substantial shareholders of Fintec Global Berhad as follows:

	No. of share held	
	Direct	Indirect
Substantial shareholders	No. of shares	No. of shares
	(%)	(%)
CPE Growth Capital Limited	1,061,272	0.52
Adamas Finance Asia Limited	-	***1,061,272
		0.52

Notes:

*** Deemed interest by virtue of the shareholdings in CPE Growth Capital Limited.

(i) Based on the issued capital of 204,983,622 of Fintec Global Berhad.

(Source: Fintec Global Berhad - 2025 Annual Report)

7.4 Loss and LPS

The Proposed Share Consolidation will not affect the earnings or loss of our Group. However, the lower number of Shares in issue upon completion of the Proposed Share Consolidation will result in a corresponding increase in the LPS of our Company.

Assuming that the consolidated earnings of the SGB remain unchanged, the LPS of the SGB will be diluted as a result of reducing number of shares in issue upon completion of the Proposed Share Consolidation, followed by an increase in the number of shares in issue resulting from the issuance of Rights Shares and any new shares arising from the exercise of Warrants C.

The pro forma effect of the Proposals on the issued share capital of our Company is as follows:

Minimum Scenario

	Audited as at 31 July 2025	(I) After Proposed Share Consolidation	(II) After (I) and Proposed Rights Issue with Warrants	(III) After (II) and full exercise of Warrant C
	RM	RM	RM	RM
Loss after taxation ("LAT") attributable to the owners of our Company	21,538,013	21,538,013	21,538,013	21,538,013
Number of shares, excluding treasury shares	1,561,673,319	⁽ⁱ⁾ 156,167,331	⁽ⁱⁱ⁾ 249,851,531	⁽ⁱⁱⁱ⁾ 296,693,631
Basic LPS (sen)	1.38	13.79	8.62	7.26

Notes:

- (i) Based on the consolidation of every 10 SGB Shares held by the shareholders, whose names appear in the record of depositors of SGB on the Share Consolidation Entitlement Date, into 1 Consolidated Share.
- (ii) After adjusting based on 93,684,200 Rights Shares and 46,842,100 Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants.
- (iii) Assuming all 46,842,100 Warrants C are exercised into new Shares.

Maximum Scenario

	Audited as at 31 July 2025	(I) After Proposed Share Consolidation	(II) After (I) and Proposed Rights Issue with Warrants	(III) After (II) and full exercise of Warrant C
	RM	RM	RM	RM
LAT attributable to the owners of our Company	21,538,013	21,538,013	21,538,013	21,538,013
Number of shares, excluding treasury shares	1,561,673,319	⁽ⁱ⁾ 156,167,331	⁽ⁱⁱ⁾ 468,501,993	⁽ⁱⁱⁱ⁾ 624,669,324
Basic LPS (sen)	1.38	13.79	4.60	3.45

Notes:

- (i) Based on the consolidation of every 10 SGB Shares held by the Share Consolidation Entitled Shareholders on the Share Consolidation Entitlement Date, into 1 Consolidated Share.
- (ii) After adjusting based on 312,334,662 Rights Shares and 156,167,331 Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants.
- (iii) Assuming all 156,167,331 Warrants C are exercised into new Shares.

7.5 Convertible securities

As at the LPD, our Company does not have any other existing convertible securities. Our Company's SIS took effect on 26 October 2022 and is valid for a period of 5 years. As at the LPD, there is no outstanding SIS which has been granted but to be exercised. Our Company does not intend to grant any SIS prior to the Rights Entitlement Date. As such, no adjustment is required to be made in relation to the SIS.

8. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (a) Bursa Securities for the following:
 - (i) Proposed Share Consolidation
 - (ii) admission of the Warrants C to the Official List of the Main Market of Bursa Securities pursuant to the Rights Issue with Warrants; and
 - (iii) listing of and quotation for the Rights Shares, Warrants C, and the new Shares to be issued arising from the exercise of the Warrants C on the Main Market of Bursa Securities pursuant to the Rights Issue with Warrants;

which was obtained vide its letter dated 23 February 2026 subject to the following conditions:

No.	Conditions	Status of compliance
1.	SGB and M & A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
2.	SGB and M & A Securities are required to make the relevant announcement pursuant to the Paragraph 13.20(2) of the Listing Requirements pertaining to the Proposed Share Consolidation;	To be complied
3.	SGB must comply with the public security holding spread requirements pursuant to Paragraph 8.02(1) of the Listing Requirements upon listing and quotation of the new SGB shares;	To be complied
4.	SGB is required to furnish Bursa Securities with a certified true copy of the resolution passed by its shareholders at a general meeting for the Proposals;	To be complied

- | | | |
|----|--|----------------|
| 5. | SGB and M & A Securities are required to inform Bursa Securities upon completion of the Proposals; | To be complied |
| 6. | SGB is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed; and | To be complied |
| 7. | SGB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants C as at the end of each quarter together with a detailed computation of listing fees payable. | To be complied |
- (b) shareholders of SGB for the Proposals at the forthcoming EGM to be convened; and
- (c) any other relevant authorities, if required.

9. INTER-CONDITIONALITY OF THE PROPOSALS

Our Company intends to implement the Proposed Share Consolidation followed by the Proposed Rights Issue with Warrants. The Proposed Rights Issue with Warrants is conditional upon the Proposed Share Consolidation, but not vice versa.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

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

Save as disclosed below, none of the Directors, Major Shareholders and/or chief executive of our Company and/or persons connected to them, have any interest, either direct or indirect, in the Proposals, apart from their respective entitlements as shareholders of our Company in respect of the Proposals, if any, which are also available to the other shareholders of our Company.

As disclosed in Section 2.2.1 of this Circular, Tay Ben Seng, Benson, our Executive Director, has given the Undertaking to subscribe in full for his entitlement of Rights Shares and additional Rights Shares not taken up by other Rights Entitled Shareholders by way of Excess Rights Shares, to the extent such that the aggregate subscription proceeds of the Rights Shares received by SGB arising from the subscription by all Rights Entitled Shareholders and/or their renouncee(s) and/or transferee(s) amount to RM5.10 million.

11. STATEMENT AND RECOMMENDATION BY OUR BOARD

Our Board having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, is of the opinion that the Proposals are fair and reasonable and in the best interests of our Company and our shareholders. Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

12. ADVISER

M & A Securities has been appointed by our Company to act as the Principal Adviser in relation to the Proposals.

13. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals (which is the subject matter of this Circular), our Board confirms that there is no other outstanding corporate proposal which has been announced but not yet completed as at the date of this Circular.

14. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timeline of events leading to the completion of the Proposals is as follows:

<u>Date</u>	<u>Events</u>
April 2026	<ul style="list-style-type: none">▪ EGM for the Proposals▪ Announcement of the Share Consolidation Entitlement Date
May 2026	<ul style="list-style-type: none">▪ Completion of Proposed Share Consolidation▪ Announcement for final issue price and exercise price for the Proposed Rights Issue with Warrants
End May 2026	<ul style="list-style-type: none">▪ Announcement of the Rights Entitlement Date for the Proposed Rights Issue with Warrants
June 2026	<ul style="list-style-type: none">▪ Issuance of the Abridged Prospectus
End June 2026	<ul style="list-style-type: none">▪ Closing date of the application and acceptance for the Rights Shares
July 2026	<ul style="list-style-type: none">▪ Listing of and quotation for the Rights Shares and Warrants C on the Main Market

15. EGM

The EGM, the notice of which is enclosed with this Circular, will be conducted on a hybrid mode held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("**Main Venue**") and virtual basis through live streaming and online remote participation and voting facilities operated by InsHub Sdn Bhd via <https://bit.ly/SaudiGold-EGM> ("**Online Meeting Platform**") on Tuesday, 7 April 2026 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions, with or without any modifications, to give effect to the Proposals.

If you are unable to participate and vote in person at the EGM, you may appoint a proxy to participate and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, and deposit it with 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 fax to 03-3008 1124 or email to sharereg@prosec.com.my not less than 24 hours before the date and time for the EGM as indicated above or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting at the EGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

16. FURTHER INFORMATION

Shareholders of SGB are requested to refer to the attached appendices of this Circular for further information.

Yours faithfully,
For and on behalf of
SAUDIGOLD GROUP BERHAD

TAY BEN SENG, BENSON
EXECUTIVE DIRECTOR

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board who individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirms 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 contained in this Circular false and misleading.

2. CONSENT AND CONFLICT OF INTEREST

2.1 M & A Securities

M & A Securities being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

M & A Securities, being the Principal Adviser for the Proposals, do hereby confirm that there is no circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Principal Adviser of our Company for the Proposals.

2.2 REPORTING ACCOUNTANTS

Grand Thornton Malaysia PLT has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Reporting Accountants' report on the compilation of Pro Forma Consolidated Statements of Financial Position of SGB Group as at 31 July 2025, and all references thereto in the form and context in which they appear in this Circular.

Grand Thornton Malaysia PLT, being the reporting accountants for the Proposals, do hereby confirm that there is no circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the reporting accountants of our Company for the Proposals.

2.3 SMITH ZANDER

SMITH ZANDER has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and extracts of its IMR Report referred to in this Circular in the form and context in which it appears.

SMITH ZANDER confirms that there is no conflict of interest that exists or is likely to exist by virtue of its appointment as the independent market researcher for the Proposals.

3. MATERIAL COMMITMENTS

As at the LPD, save as disclosed in Section 5(a) of this Appendix I, the Directors of our Company confirms that there are no material commitments incurred or known to be incurred by our Group that is likely to have a material effect on our Group's financial position.

4. CONTINGENT LIABILITIES

As at the LPD, the Directors of our Company confirms that there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact in the ability of our Company to meet its obligations as and when they fall due.

5. MATERIAL CONTRACTS

Save as disclosed below, there is no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by SGB Group during the past 2 years immediately preceding the date of this Circular:

- (a) Sale and purchase agreement dated 25 August 2025 ("**SPA**") entered into between Farm Ah Yong @ Tham Ah Yong, Farm Sam Fah and Lai Sam Lin (the "**Vendors**") and PSSB (a wholly owned subsidiary of the Company) (the "**Purchaser**") for the purchase of a unit of 4-storey shop office held under the title H.S.(D) 161482, Lot 25562, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor bearing the postal address at No. 46, Jalan SS2/67, Petaling Jaya, 47300 Petaling Jaya, Selangor measuring approximately 156 square metres for a total purchase consideration of RM6,250,000.00. The Purchaser had paid a deposit of RM625,000.00 to the Vendors' solicitors as stakeholders. The sale and purchase agreement is expected to be completed within 3 months from the date of the agreement where the Purchaser shall pay the balance purchase price of RM5,625,000.00. The date of completion may be extended for 1 month where the Purchaser shall pay to the Vendors agreed simple interest on the unpaid balance purchase price as liquidated damages at the rate of 8.00% per annum on a daily rest basis for each month (or part thereof) of the delay in payment of the balance purchase price or part thereof to the Purchaser's solicitors as stakeholders. The transaction is completed on 7 November 2025.
- (b) Pursuant to the joint venture agreement for the setting up of Saudi fast-food outlet in Sungei Wang Plaza dated 3 October 2023 ("**JVA**") between NetX Holdings Berhad ("**NetX**") with Saudi Cold Storage Sdn Bhd ("**SCS**") (a wholly owned subsidiary of the Company) had agreed to venture into a mutual business relationship in order to operate "Saudi Burger" flagship store as well as future expansion plan including franchising outlet by incorporating a joint venture company or acquiring shares in an existing dormant company ("**JV Company**") which is free from any encumbrances and any liability, at the shareholding structure of 51.00% (to be held by NetX) and 49.00% to be held by SCS. NetX and SCS acquired 816,001 ordinary shares and 784,001 ordinary shares respectively in Saudi Burger Holdings Sdn Bhd ("**SBH**"), the JV Company. The business of SBH commenced in November 2023. SBH allotted 510,000 ordinary shares and 490,000 ordinary shares to NetX and SCS respectively on 29 November 2023. On 11 March 2024, SBH allotted 255,000 ordinary shares and 245,000 ordinary shares to NetX and SCS respectively. On 19 December 2024, NetX and SCS amended the shareholding structure of SBH where approximately 51.35% is to be held by SCS and approximately 48.65% is to be held by NetX, where SBH allotted another 150,000 ordinary shares to SCS. As at the LPD, the shareholding of SBH is as follows:

<u>Shareholders of SBH</u>	<u>Total No. of Share</u>	<u>Shareholding percentage</u>
SCS	1,669,001	51.35%
NetX	1,581,001	48.65%

6. MATERIAL LITIGATIONS

As at the LPD, the SGB Group is not engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of the SGB Group and our Board has no knowledge of any proceedings, pending or threatened, against SGB Group or of any fact which is likely to give rise to any proceeding which may materially and adversely affect the business or financial position of SGB Group.

APPENDIX I – FURTHER INFORMATION (Cont'd)

7. SHARE PRICE PERFORMANCE

The monthly highest and lowest prices of SGB Shares as traded on Bursa Securities for the past 12 months are as follows:

	High (RM)	Low (RM)
<u>2025</u>		
March	0.0200	0.0050
April	0.0150	0.0100
May	0.0150	0.0100
June	0.0150	0.0050
July	0.0150	0.0050
August	0.0150	0.0050
September	0.0150	0.0100
October	0.0150	0.0100
November	0.0150	0.0100
December	0.0150	0.0100
<u>2026</u>		
January	0.0150	0.0100
February	0.0150	0.0100

The last transacted price of SGB Shares on the date preceding the announcement of the Proposals on 13 March 2025 and on LPD are RM0.0150 and RM0.0100 respectively.

(Source: M & A Securities)

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company at No.1-10, Medan Perniagaan Pauh Jaya, Jalan Baru, 13700 Seberang Jaya, Pulau Pinang, Malaysia during normal business hours (except for public holidays) from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of SGB;
- (b) the audited consolidated financial statements of SGB for FYE 31 July 2024 and FYE 31 July 2025 and the latest unaudited consolidated financial statements for FPE 2025 and FPE 2026;
- (c) the letters of consent and conflict of interest referred to in Section 2 above;
- (d) Reporting Accountants' report on the compilation of pro forma consolidated statements of financial position of SGB Group as at 31 July 2025;
- (e) the draft Deed Poll C; and
- (f) the IMR Report prepared by SMITH ZANDER.

SAUDIGOLD GROUP BERHAD
(Registration No.: 200801036832 (838172-P))
(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member Firm of Grant Thornton International Ltd.

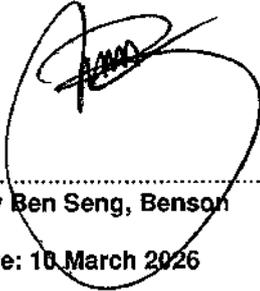
**APPENDIX II – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont’d)**

SAUDIGOLD GROUP BERHAD
Registration No. 200801036832 (838172-P)
(Incorporated in Malaysia)

APPROVAL BY BOARD OF DIRECTORS

The Pro Forma Consolidated Statements of Financial Position has been approved for issue in accordance with a resolution of the Board of Directors of Saudigold Group Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:



.....

Tay Ben Seng, Benson

Date: 10 March 2026

APPENDIX II – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont’d)



REPORTING ACCOUNTANTS’ REPORT ON THE
COMPILATION OF PRO FORMA CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
(Prepared for inclusion in the Circular to Shareholders)

10 March 2026

The Board of Directors
Saudigold Group Berhad
Plot 331,
Taman Perindustrian Sungai Petani Fasa 3,
08000 Sungai Petani,
Kedah Darul Aman

Grant Thornton Malaysia PLT

Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 Penang
Malaysia

T +604 228 7828

F +604 227 9828

Dear Sirs/Madam,

SAUDIGOLD GROUP BERHAD (“SGB” OR “THE COMPANY”) AND ITS SUBSIDIARIES (“SGB GROUP” OR “THE GROUP”)

REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 JULY 2025 IN CONNECTION WITH THE FOLLOWING PROPOSALS:

- (i) **PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN SGB (“SGB SHARES”) HELD BY THE SHAREHOLDERS OF SGB INTO 1 SGB SHARE (“CONSOLIDATED SHARE”) ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“SHARE CONSOLIDATION ENTITLEMENT DATE”) (“PROPOSED SHARE CONSOLIDATION”); AND**
- (ii) **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 312,334,662 NEW SHARES (“RIGHTS SHARES”) TOGETHER WITH UP TO 156,167,331 FREE DETACHABLE WARRANTS C IN SGB (“WARRANTS C”) ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 1 CONSOLIDATED SHARE HELD BY THE SHAREHOLDERS OF SGB (“RIGHTS ENTITLED SHAREHOLDERS”) TOGETHER WITH 1 WARRANT C FOR EVERY 2 RIGHTS SHARES SUBSCRIBED BY THE RIGHTS ENTITLED SHAREHOLDERS AT AN ISSUE PRICE AND ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED BY THE BOARD OF DIRECTORS AT A LATER DATE (“RIGHTS ENTITLEMENT DATE”) (“PROPOSED RIGHTS ISSUE WITH WARRANTS”).**

(The above proposals are collectively known as “Proposed Exercise”)

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of the Group as at 31 July 2025 together with the accompanying notes thereon, for which we have stamped for the purpose of identification.

The Pro Forma Consolidated Statements of Financial Position as at 31 July 2025 has been compiled by the Board of Directors to illustrate the impact of the Proposed Exercise on the consolidated statements of financial position of the Group as at 31 July 2025, as if the Proposed Exercise had taken place at 31 July 2025. As part of this process, financial information about the consolidated statements of financial position of the Group has been extracted by the Board of Directors from the Group’s audited financial statements for the financial year ended 31 July 2025, on which the audit reports have been issued without modification.

2

Audit | Tax | Advisory

Chartered Accountants
Grant Thornton Malaysia PLT [201906003682 [LP002249+LCA] 6 AF 0737] is a Limited Liability Partnership and is a member firm of Grant Thornton International Ltd (GTIL), a private company limited by guarantee, incorporated in England and Wales.

grantthornton.com.my



Directors’ Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Board of Directors is responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as described in Note 1 to the Pro Forma Consolidated Statements of Financial Position (“Applicable Criteria”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants* (including International Independence Standards) (“IESBA Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (“ISQM”) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, the firm is required to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position as at 31 July 2025 has been compiled, in all material respects, by the Board of Directors of the Company on the basis of the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (“ISAE”) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of the Company has compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

APPENDIX II – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont’d)



Our Responsibilities (cont’d)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

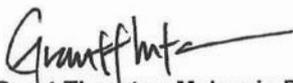
Opinion

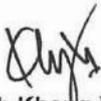
In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria.

Other Matter

This report has been prepared solely to the Board of Directors of SGB in connection with the Proposed Exercise. As such, this report should not be used or relied upon for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,


Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants


Teh Khang Xuen
No. 03805/12/2027 J
Chartered Accountant

Penang

APPENDIX II – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont’d)

**SAUDIGOLD GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025**

The Pro Forma Consolidated Statements of Financial Position of Saudigold Group Berhad ("SGB" or "the Company") and its subsidiaries ("SGB Group" or "the Group") as at 31 July 2025 as set out below are provided for illustrative purposes only to show the effects of the events and transactions as set out in Note 2 to the Pro Forma Consolidated Statements of Financial Position, had the events and transactions took place on 31 July 2025, and should be read in conjunction with the accompanying notes.

MINIMUM SCENARIO

		Audited	Pro Forma I	Pro Forma II	Pro Forma III
		As at 31 July 2025 RM	After Proposed Share Consolidation RM	After Pro Forma I and Proposed Rights Issue with Warrants RM	After Pro Forma II and Assuming Full Exercise of Warrants C RM
	NOTE				
ASSETS					
Non-current assets					
Property, plant and equipment		64,827,211	64,827,211	64,827,211	64,827,211
Investment properties		19,350,676	19,350,676	19,350,676	19,350,676
Right-of-use assets		255,287	255,287	255,287	255,287
Investment in an associate		1,154,809	1,154,809	1,154,809	1,154,809
		<u>85,587,983</u>	<u>85,587,983</u>	<u>85,587,983</u>	<u>85,587,983</u>
Current assets					
Inventories		21,035,800	21,035,800	21,035,800	21,035,800
Trade and other receivables		9,538,008	9,538,008	9,538,008	9,538,008
Amount due from associates		1,108,355	1,108,355	1,108,355	1,108,355
Other investments		9,875,591	9,875,591	9,875,591	9,875,591
Current tax assets		70,063	70,063	70,063	70,063
Cash and bank balances	3.1	6,029,462	6,029,462	13,779,461	18,229,461
		<u>47,657,279</u>	<u>47,657,279</u>	<u>55,407,278</u>	<u>59,857,278</u>
TOTAL ASSETS		<u>133,245,262</u>	<u>133,245,262</u>	<u>140,995,261</u>	<u>145,445,261</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	3.2	179,457,770	179,457,770	182,635,980	191,657,769
Treasury shares		(118,276)	(118,276)	(118,276)	(118,276)
Other reserves	3.3	2,694,729	2,694,729	7,266,518	2,694,729
Merger deficit		(29,296,614)	(29,296,614)	(29,296,614)	(29,296,614)
Accumulated losses		(33,850,337)	(33,850,337)	(33,850,337)	(33,850,337)
		118,887,272	118,887,272	126,637,271	131,087,271
Non-controlling interest		95,486	95,486	95,486	95,486
Total equity		<u>118,982,758</u>	<u>118,982,758</u>	<u>126,732,757</u>	<u>131,182,757</u>



APPENDIX II – REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont'd)

**SAUDIGOLD GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025**

The Pro Forma Consolidated Statements of Financial Position of Saudigold Group Berhad ("SGB" or "the Company") and its subsidiaries ("SGB Group" or "the Group") as at 31 July 2025 as set out below are provided for illustrative purposes only to show the effects of the events and transactions as set out in Note 2 to the Pro Forma Consolidated Statements of Financial Position, had the events and transactions took place on 31 July 2025, and should be read in conjunction with the accompanying notes. (Cont'd)

MINIMUM SCENARIO (CONT'D)

		Audited	Pro Forma I	Pro Forma II	Pro Forma III
		As at 31 July 2025 RM	After Proposed Share Consolidation RM	After Pro Forma I and Proposed Rights Issue with Warrants RM	After Pro Forma II and Assuming Full Exercise of Warrants C RM
	NOTE				
Non-current liabilities					
Hire purchase payables		630,540	630,540	630,540	630,540
Lease liabilities		32,601	32,601	32,601	32,601
Deferred tax liabilities		1,310,275	1,310,275	1,310,275	1,310,275
		<u>1,973,416</u>	<u>1,973,416</u>	<u>1,973,416</u>	<u>1,973,416</u>
Current liabilities					
Trade and other payables		11,603,123	11,603,123	11,603,123	11,603,123
Hire purchase payables		407,491	407,491	407,491	407,491
Current tax liabilities		49,433	49,433	49,433	49,433
Lease liabilities		229,041	229,041	229,041	229,041
		<u>12,289,088</u>	<u>12,289,088</u>	<u>12,289,088</u>	<u>12,289,088</u>
TOTAL LIABILITIES		<u>14,262,504</u>	<u>14,262,504</u>	<u>14,262,504</u>	<u>14,262,504</u>
TOTAL EQUITY AND LIABILITIES		<u>133,245,262</u>	<u>133,245,262</u>	<u>140,995,261</u>	<u>145,445,261</u>
Issued ordinary shares (excluding treasury shares) (Unit)	3.2	1,561,673,319	156,167,331	249,851,531	296,693,631
Net assets per share (RM)		0.08	0.76	0.51	0.44
Borrowings (RM)		1,038,031	1,038,031	1,038,031	1,038,031
Gearing ratio (Times) #		0.01	0.01	0.01	0.01

Computed based on total borrowings of the Group over total equity attributable to owners of the Company.



APPENDIX II – REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont'd)

**SAUDIGOLD GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025**

The Pro Forma Consolidated Statements of Financial Position of Saudigold Group Berhad ("SGB" or "the Company") and its subsidiaries ("SGB Group" or "the Group") as at 31 July 2025 as set out below are provided for illustrative purposes only to show the effects of the events and transactions as set out in Note 2 to the Pro Forma Consolidated Statements of Financial Position, had the events and transactions took place on 31 July 2025, and should be read in conjunction with the accompanying notes. (Cont'd)

MAXIMUM SCENARIO

		Audited	Pro Forma I	Pro Forma II	Pro Forma III
		As at 31 July 2025 RM	After Proposed Share Consolidation RM	After Pro Forma I and Proposed Rights Issue with Warrants RM	After Pro Forma II and Assuming Full Exercise of Warrants C RM
	NOTE				
ASSETS					
Non-current assets					
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Investment properties		19,350,676	19,350,676	19,350,676	19,350,676
Right-of-use assets		255,287	255,287	255,287	255,287
Investment in an associate		1,154,809	1,154,809	1,154,809	1,154,809
		<u>85,587,983</u>	<u>85,587,983</u>	<u>85,587,983</u>	<u>85,587,983</u>
Current assets					
Inventories		21,035,800	21,035,800	21,035,800	21,035,800
Trade and other receivables		9,538,008	9,538,008	9,538,008	9,538,008
Amount due from associates		1,108,355	1,108,355	1,108,355	1,108,355
Other investments		9,875,591	9,875,591	9,875,591	9,875,591
Current tax assets		70,063	70,063	70,063	70,063
Cash and bank balances	3.1	6,029,462	6,029,462	34,551,255	49,387,151
		<u>47,657,279</u>	<u>47,657,279</u>	<u>76,179,072</u>	<u>91,014,968</u>
TOTAL ASSETS		<u>133,245,262</u>	<u>133,245,262</u>	<u>161,767,055</u>	<u>176,602,951</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	3.2	179,457,770	179,457,770	192,940,649	222,815,459
Treasury shares		(118,276)	(118,276)	(118,276)	(118,276)
Other reserves	3.3	2,694,729	2,694,729	17,733,643	2,694,729
Merger deficit		(29,296,614)	(29,296,614)	(29,296,614)	(29,296,614)
Accumulated losses		(33,850,337)	(33,850,337)	(33,850,337)	(33,850,337)
		118,887,272	118,887,272	147,409,065	162,244,961
Non-controlling interest		95,486	95,486	95,486	95,486
Total equity		<u>118,982,758</u>	<u>118,982,758</u>	<u>147,504,551</u>	<u>162,340,447</u>



APPENDIX II – REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont'd)

**SAUDIGOLD GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025**

The Pro Forma Consolidated Statements of Financial Position of Saudigold Group Berhad ("SGB" or "the Company") and its subsidiaries ("SGB Group" or "the Group") as at 31 July 2025 as set out below are provided for illustrative purposes only to show the effects of the events and transactions as set out in Note 2 to the Pro Forma Consolidated Statements of Financial Position, had the events and transactions took place on 31 July 2025, and should be read in conjunction with the accompanying notes. (Cont'd)

MAXIMUM SCENARIO (CONT'D)

		Audited	Pro Forma I	Pro Forma II	Pro Forma III
		As at 31 July 2025 RM	After Proposed Share Consolidation RM	After Pro Forma I and Proposed Rights Issue with Warrants RM	After Pro Forma II and Assuming Full Exercise of Warrants C RM
	NOTE				
Non-current liabilities					
Hire purchase payables		630,540	630,540	630,540	630,540
Lease liabilities		32,601	32,601	32,601	32,601
Deferred tax liabilities		1,310,275	1,310,275	1,310,275	1,310,275
		<u>1,973,416</u>	<u>1,973,416</u>	<u>1,973,416</u>	<u>1,973,416</u>
Current liabilities					
Trade and other payables		11,603,123	11,603,123	11,603,123	11,603,123
Hire purchase payables		407,491	407,491	407,491	407,491
Current tax liabilities		49,433	49,433	49,433	49,433
Lease liabilities		229,041	229,041	229,041	229,041
		<u>12,289,088</u>	<u>12,289,088</u>	<u>12,289,088</u>	<u>12,289,088</u>
TOTAL LIABILITIES		<u>14,262,504</u>	<u>14,262,504</u>	<u>14,262,504</u>	<u>14,262,504</u>
TOTAL EQUITY AND LIABILITIES		<u>133,245,262</u>	<u>133,245,262</u>	<u>161,767,055</u>	<u>176,602,951</u>
Issued ordinary shares (excluding treasury shares) (Unit)	3.2	1,561,673,319	156,167,331	468,501,993	624,669,324
Net assets per share (RM)		0.08	0.76	0.31	0.26
Borrowings (RM)		1,038,031	1,038,031	1,038,031	1,038,031
Gearing ratio (Times) #		0.01	0.01	0.01	0.01

Computed based on total borrowings of the Group over total equity attributable to owners of the Company.



APPENDIX II – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont’d)

SAUDIGOLD GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025

1. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position of Saudigold Group Berhad (“SGB” or “the Company”) and its subsidiaries (“SGB Group” or “the Group”) as at 31 July 2025, together with the notes thereon, for which the Board of Directors of SGB is solely responsible, has been prepared for the purpose of illustration only in connection with the following proposals:

- (i) proposed consolidation of every 10 existing ordinary shares in SGB (“SGB Shares”) held by the shareholders of SGB into 1 SGB Share (“Consolidated Share”) on an entitlement date to be determined and announced later (“Share Consolidation Entitlement Date”) (“Proposed Share Consolidation”); and
- (ii) proposed renounceable rights issue of up to 312,334,662 new shares (“Rights Shares”) together with up to 156,167,331 free detachable warrants C in SGB (“Warrants C”) on the basis of 2 Rights Shares for every 1 Consolidated Share held by the shareholders of SGB (“Rights Entitled Shareholders”) together with 1 Warrant C for every 2 Rights Shares subscribed by the Rights Entitled Shareholders at an issue price and on an entitlement date to be determined and announced by the Board of Directors at a later date (“Rights Entitlement Date”) (“Proposed Rights Issue with Warrants”)

(The above proposals collectively known as “Proposed Exercise”).

The Pro Forma Consolidated Statements of Financial Position of the Group has been prepared based on the audited consolidated financial statements of SGB Group for the financial year ended 31 July 2025, which were prepared in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and in a manner consistent with the format of the financial statements and the accounting policies of SGB Group, and adjusted for the impacts of the events and transactions as set out in Note 2 to the Pro Forma Consolidated Statements of Financial Position had the events been occurred or the transactions been undertaken on 31 July 2025. The Pro Forma Consolidated Statements of Financial Position is not necessarily indicative of the financial position that would have been attained had the Proposed Exercise actually occurred at the respective dates and such information does not purport to predict the future financial position of SGB Group.

The auditors’ report on the audited consolidated financial statements of the Group for the financial year ended 31 July 2025 used in the preparation of the Pro Forma Consolidated Statements of Financial Position was not subject to any audit qualification.

2. PROPOSED SHARE CONSOLIDATION AND PROPOSED RIGHTS ISSUE WITH WARRANTS

(i) Pro Forma I: Proposed Share Consolidation

The Proposed Share Consolidation entails the proposed consolidation of every 10 existing SGB Shares into 1 Consolidated Share. For illustrative purposes, the issued share capital of SGB, excluding treasury shares, under minimum and maximum scenario are as follows:

	Minimum scenario		Maximum scenario	
	Number of shares	RM	Number of shares	RM
Proposed Share Consolidation				
Issued share capital of SGB, excluding treasury shares:				
As at 31 July 2025	1,561,673,319	179,457,770	1,561,673,319	179,457,770
After Proposed Share Consolidation	<u>156,167,331</u>	<u>179,457,770</u>	<u>156,167,331</u>	<u>179,457,770</u>



APPENDIX II – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont’d)

SAUDIGOLD GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025

2. PROPOSED SHARE CONSOLIDATION AND PROPOSED RIGHTS ISSUE WITH WARRANTS (CONT'D)

(ii) Pro Forma II: Proposed Rights Issue with Warrants

The effects of Proposed Rights Issue with Warrants together with proposed utilisation of gross proceeds under minimum and maximum scenario included in the Pro Forma Consolidated Statements of Financial Position is prepared in accordance with Paragraph 5.15(a)(i), Chapter 5, Division 5, Part II of the Prospectus Guidelines issued by Securities Commission Malaysia.

For illustrative purposes, the number of Rights Shares assumed to be subscribed with an assumed issue price of RM0.095 per Rights Share together with its proposed utilisation of gross proceeds under minimum and maximum scenario as follows:

	Minimum scenario RM	Maximum scenario RM
Proposed Rights Issue with Warrants		
Number of Rights Shares (unit)	93,684,200	312,334,662
Issue price (RM)	<u>0.095</u>	<u>0.095</u>
Gross proceeds raised (RM)	<u>8,899,999</u>	<u>29,671,793</u>

The total gross proceeds raised from the Proposed Rights Issue with Warrants are intended to be utilised as follows:

	Minimum scenario RM	Maximum scenario RM
Utilisation of gross proceeds		
Future expansion of business ⁽¹⁾	-	15,000,000
Capital expenditure ⁽²⁾	2,000,000	6,000,000
Upgrade of software and systems ⁽²⁾	-	1,000,000
Working capital ⁽²⁾	5,749,999	6,521,793
Estimated expenses for the Proposed Exercise ⁽³⁾	<u>1,150,000</u>	<u>1,150,000</u>
	<u>8,899,999</u>	<u>29,671,793</u>

⁽¹⁾ As at the latest practicable date (“LPD”), the Group has identified a potential target company engaged in the processing and distribution of seafood products, which is complementary to its existing business, for potential acquisition or investment. In addition, the Group has also identified primary target market within Malaysia for the establishment and operation of new burger stores, food trucks and/or kiosks. However, these initiatives remain at a preliminary stage, and the Group has yet to enter into any binding contractual arrangements in relation to the future expansion of business. Accordingly, the utilisation of proceeds earmarks for future expansion of business is not reflected in the Pro Forma Consolidated Statements of Financial Position but will remain under cash and bank balances.



APPENDIX II – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont’d)

SAUDIGOLD GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025

2. PROPOSED SHARE CONSOLIDATION AND PROPOSED RIGHTS ISSUE WITH WARRANTS (CONT'D)

(ii) Pro Forma II: Proposed Rights Issue with Warrants (Cont’d)

(2) At at the LPD, the Group has yet to enter into any contractual binding arrangements in relation to the capital expenditure, upgrade of software and systems and planned utilisation of working capital. Accordingly, the utilisation of proceeds earmarks for capital expenditure, upgrade of software and systems and planned utilisation of working capital is not reflected in the Pro Forma Consolidated Statements of Financial Position but will remain under cash and bank balances.

(3) The estimated expenses for the Proposed Exercise comprise the following:

	Minimum scenario RM	Maximum scenario RM
Details		
Professional fees and underwriting fees	982,450	982,450
Fees to authorities	87,000	87,000
Miscellaneous charges (Printing and meeting expenses)	80,550	80,550
	1,150,000	1,150,000
Total estimated expenses	1,150,000	1,150,000

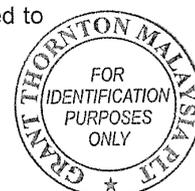
A warrant reserve of RM4,571,789 and RM15,038,914 recognised under minimum and maximum scenario respectively on the basis of 1 Warrant C for every 2 Rights Shares subscribed. The estimated fair value per Warrant C under minimum and maximum scenario are RM0.0976 per Warrant C and RM0.0963 per Warrant C respectively using the trinomial option pricing model based on the following key assumptions extracted from Bloomberg Finance L.P.:

Theoretical ex-all price (“TEAP”) of SGB Shares	
- Minimum scenario	: RM0.0976
- Maximum scenario	: RM0.0963
Warrant exercise price	: RM0.0950
Warrant exercise period	: 5 years commencing from the date of issuance of Warrants C
Risk free interest rate	: 3.336%
Volatility of share price	: 334.058%
Expected dividend yield	: 0.00%

(iii) Pro Forma III: Assuming Full Exercise of Warrants C

The effects of Assuming Full Exercise of Warrants C under minimum and maximum scenario included in the Pro Forma Consolidated Statements of Financial Position is prepared in accordance with Paragraph 5.15(a)(ii), Chapter 5, Division 5, Part II of the Prospectus Guidelines issued by Securities Commission Malaysia.

The full exercise of Warrants C will result in the issuance of additional 46,842,100 and 156,167,331 new SGB Shares under minimum and maximum scenario respectively. The gross proceeds raised from the exercise of Warrants C amounting to RM4,450,000 and RM14,835,896 under minimum and maximum scenario respectively are assumed to be retained as cash and bank balances. The entire warrant reserve of RM4,571,789 and RM15,038,914 under minimum and maximum scenario respectively will be transferred to share capital upon the full exercise of Warrants C.



APPENDIX II – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont’d)

SAUDIGOLD GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025

3. NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

3.1 CASH AND BANK BALANCES

The movements of the cash and bank balances are as follows:

	Minimum scenario RM	Maximum scenario RM
As at 31 July 2025	6,029,462	6,029,462
Pursuant to Proposed Rights Issue with Warrants		
- Gross proceeds raised	8,899,999	29,671,793
- Estimated expenses for the Proposed Exercise	<u>(1,150,000)</u>	<u>(1,150,000)</u>
As per Pro Forma I and II	13,779,461	34,551,255
Pursuant to Assuming Full Exercise of Warrants C	<u>4,450,000</u>	<u>14,835,896</u>
As per Pro Forma III	<u>18,229,461</u>	<u>49,387,151</u>

3.2 SHARE CAPITAL

The movements of the share capital are as follows:

	Minimum scenario		Maximum scenario	
	Number of shares	RM	Number of shares	RM
As at 31 July 2025, excluding treasury shares	1,561,673,319	179,457,770	1,561,673,319	179,457,770
Pursuant to Proposed Share Consolidation	<u>(1,405,505,988)</u>	<u>-</u>	<u>(1,405,505,988)</u>	<u>-</u>
As per Pro Forma I	156,167,331	179,457,770	156,167,331	179,457,770
Pursuant to Proposed Rights Issue with Warrants				
- Gross proceeds raised	93,684,200	8,899,999	312,334,662	29,671,793
- Estimated expenses for Proposed Exercise set-off against share capital	-	(1,150,000)	-	(1,150,000)
- Recognition of warrant reserve	-	<u>(4,571,789)</u>	-	<u>(15,038,914)</u>
As per Pro Forma II	249,851,531	182,635,980	468,501,993	192,940,649
Pursuant to Assuming Full Exercise of Warrants C				
- Gross proceeds raised	46,842,100	4,450,000	156,167,331	14,835,896
- Transfer from warrant reserve	-	<u>4,571,789</u>	-	<u>15,038,914</u>
As per Pro Forma III	<u>296,693,631</u>	<u>191,657,769</u>	<u>624,669,324</u>	<u>222,815,459</u>



APPENDIX II – REPORTING ACCOUNTANTS’ LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SGB GROUP AS AT 31 JULY 2025
(Cont’d)

SAUDIGOLD GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025

3. NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT’D)

3.3 OTHER RESERVES

The movements of the other reserves are as follows:

	Minimum scenario RM	Maximum scenario RM
As at 31 July 2025	2,694,729	2,694,729
Pursuant to Proposed Rights Issue with Warrants	<u>4,571,789</u>	<u>15,038,914</u>
As per Pro Forma I and II	7,266,518	17,733,643
Pursuant to Assuming Full Exercise of Warrants C	<u>(4,571,789)</u>	<u>(15,038,914)</u>
As per Pro Forma III	<u>2,694,729</u>	<u>2,694,729</u>



SAUDIGOLD

GROUP BERHAD

SAUDIGOLD GROUP BERHAD
[Registration No.: 200801036832 (838172-P)]
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of SaudiGold Group Berhad (“**SGB**” or the “**Company**”) will be conducted on a hybrid mode held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan (“**Main Venue**”) and virtual basis through live streaming and online remote participation and voting facilities operated by InsHub Sdn Bhd via <https://bit.ly/SaudiGold-EGM> (“**Online Meeting Platform**”) on Tuesday, 7 April 2026 at 10:00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN SGB (“SGB SHARE(S)” OR “SHARE(S)”) (“EXISTING SHARE(S)”) HELD BY THE SHAREHOLDERS OF SGB (“SHARE CONSOLIDATION ENTITLED SHAREHOLDER(S)”) INTO 1 SGB SHARE (“CONSOLIDATED SHARE(S)”) ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“SHARE CONSOLIDATION ENTITLEMENT DATE”) (“PROPOSED SHARE CONSOLIDATION”)

“**THAT** subject to the approvals of all relevant parties and/or authorities being obtained (if required), approval be and is hereby given to our Company to give effect to the consolidation of every 10 existing Shares held by the entitled shareholders of our Company whose names appear on the Record of Depositors of our Company as at the close of business on an entitlement date to be determined by the Board and announced later by our Company into 1 Consolidated Share;

THAT the Consolidated Shares shall, upon allotment and issuance, rank equally in all respects with one another and that the fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of our Company;

AND THAT the Board be and is hereby authorised with full power to do all such acts, deeds and things and to execute and deliver on behalf of our Company all such documents and/or agreements as the Board may deem fit, necessary or expedient or appropriate in the best interest of our Company, in order to finalise, implement and/or give effect to the Proposed Share Consolidation with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or required by the relevant authorities.”

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 312,334,662 NEW SHARES (“RIGHTS SHARE(S)”) TOGETHER WITH UP TO 156,167,331 FREE DETACHABLE WARRANTS C IN SGB (“WARRANT(S) C”) ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 1 CONSOLIDATED SHARE HELD BY THE SHAREHOLDERS OF SGB (“RIGHTS ENTITLED SHAREHOLDER(S)”), TOGETHER WITH 1 WARRANT C FOR EVERY 2 RIGHTS SHARES SUBSCRIBED BY THE RIGHTS ENTITLED SHAREHOLDERS AT AN ISSUE PRICE AND ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED BY THE BOARD AT A LATER DATE (“RIGHTS ENTITLEMENT DATE”) (“PROPOSED RIGHTS ISSUE WITH WARRANTS”)

"THAT, subject to the passing of Ordinary Resolution 1, and the approvals of all relevant authorities and/or parties for the Proposed Rights Issue with Warrants, approval be and is hereby given to the Board to undertake the Proposed Rights Issue with Warrants to provisionally issue and allot by way of renounceable rights issue of 312,334,662 Rights Shares with 156,167,331 Warrants C to the registered shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on the entitlement date to be determined later by the Board, on the basis of 2 Rights Share for every 1 existing SGB Shares held and 1 Warrant C for every 2 Rights Shares subscribed on the said entitlement date and at an issue price to be determined and announced by the Board at a later date;

THAT the Board be and is hereby authorised to allocate the excess Rights Shares with Warrants which are not subscribed or validly subscribed, if any, for excess application, in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company;

THAT the Board be and is hereby authorised to disregard and deal with any fractional entitlements of the Rights Shares and Warrants C arising from the Proposed Rights Issue with Warrants, if any, in such manner as the Board may in its sole and absolute discretion deems fit and expedient, and in the best interest of the Company;

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

THAT the proceeds from the Proposed Rights Issue with Warrants be utilised for such purposes as set out in the Circular to Shareholders dated 12 March 2026 and that the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary or expedient, subject to (where applicable) the approval of the relevant authorities;

THAT the new SGB Shares to be issued pursuant to the exercise of the Warrants C shall rank equally in all respects with the existing SGB Shares, save and except that the new SGB Shares to be issued arising from the exercise of the Warrants C shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new SGB Shares;

AND THAT the Board be and is hereby empowered and authorised with full power to do all such acts, to take all such steps and to execute, enter into, sign and deliver for and on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, to give full effect to and to complete the Proposed Rights Issue with Warrants, with full powers to assent to and/or accept any conditions, modifications, variations, arrangements and/or amendments as the Board in its absolute discretion may deem fit and/or as may be imposed by any relevant authorities and/or parties in connection with the Proposed Rights Issue with Warrants."

By Order of the Board

SAUDIGOLD GROUP BERHAD

**ADELIN TANG KOON LING (LS 0009611)
(SSM PC NO. 202008002271)**

**WONG YUET CHYN (MAICSA 7047163)
(SSM PC NO. 202008002451)**
Company Secretaries

Penang
12 March 2026

Notes:

1. Only depositors whose name appears on the Record of Depositors of the Company as at 27 March 2026 shall be entitled to attend the EGM or appoint proxies to attend, speak and/or vote on his/her behalf.
2. A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. 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.
5. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with 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 fax to 03-3008 1124 or email to sharereg@prosec.com.my not less than 24 hours before the time appointed for holding the EGM or adjourned meeting.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.
9. The members are advised to refer to the Administrative Guide on the registration and voting process for the EGM.

Personal Data Privacy

By registering for the meeting and electronic voting 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.

* Delete whichever is not applicable

^ Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. Only depositors whose name appears on the Record of Depositors of the Company as at 27 March 2026 shall be entitled to attend the EGM or appoint proxies to attend, speak and/or vote on his/her behalf.
2. A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. 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.
5. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with 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 fax to 03-3008 1124 or email to shareg@prosec.com.my not less than 24 hours before the time appointed for holding the EGM or adjourned meeting.
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9. The members are advised to refer to the Administrative Guide on the registration and voting process for the EGM.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR OF
SAUDIGOLD GROUP BERHAD
[Registration No.: 200801036832 (838172-P)]

C/O PROSEC SHARE REGISTRATION SDN. BHD.
DF2-09-02, Level 9, Persoft Tower
6B, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan

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