

SMART ASIA CHEMICAL BHD (“SAC” OR THE “COMPANY”)

- (I) PROPOSED ESTABLISHMENT OF A NEW SHARE ISSUANCE SCHEME (“SIS” OR “SCHEME”) OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED ORDINARY SHARES OF SAC (“SAC SHARES” OR “SHARES”) (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES (“SAC GROUP” OR THE “GROUP”) (“PROPOSED SIS”); AND
- (II) PROPOSED ALLOCATION OF SIS OPTIONS TO CERTAIN PERSONS CONNECTED WITH THE DIRECTORS OF SAC PURSUANT TO THE PROPOSED SIS (“PROPOSED ALLOCATION”)

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

1. INTRODUCTION

On behalf of the Board of Directors of SAC (“**Director(s)**”) (“**Board**”), TA Securities Holdings Berhad (“**TA Securities**”) wishes to announce that the Company proposes to undertake the Proposals.

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

2. DETAILS OF THE PROPOSALS

2.1 Proposed SIS

The Company proposes to establish and implement the Scheme, which involves the granting of options (“**SIS Options**”) to senior management and employees of SAC and its subsidiaries (“**Group**”) (excluding dormant subsidiaries and foreign subsidiaries incorporated out of Malaysia, if any), who fulfil the criteria of eligibility for participation in the Scheme (“**Eligible Person(s)**”) to subscribe for SAC Shares in accordance with the by-laws governing the Scheme (“**By-Laws**”). The SIS Options shall entitle the Eligible Persons to subscribe for new ordinary shares of SAC (“**SAC Shares**” or “**Shares**”) at an exercise price to be determined at a later date (“**Option Price**”).

The Scheme will be administered and managed by a committee to be appointed and duly authorised by the Board (“**SIS Committee**”) and shall be governed by the By-Laws. The SIS Committee will comprise such persons to be identified and appointed by the Board from time to time.

Under the Scheme, an Eligible Person may, at the sole and absolute discretion of the SIS Committee, be offered in writing a certain number of SIS Options (“**Offer**”), based on the eligibility criteria mentioned in **Section 2.1.2** of this announcement, at the relevant offer dates (“**Date of Offer**”).

The salient terms and conditions of the Scheme are set out below.

2.1.1 Maximum number of new SAC Shares available under the SIS

The maximum number of new SAC Shares to be issued under the Scheme shall not in aggregate exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the SIS as set out in **Section 2.1.4** of this announcement (“**Maximum SIS Shares**”) (“**Duration of the SIS**”).

In the event the aggregate number of SAC Shares allocated under the Scheme exceeds the Maximum SIS Shares at any point in time as a result of the Company purchasing or cancelling its own shares in accordance with the provisions of the Companies Act 2016 (“**Act**”) and/or undertaking any other corporate proposal(s) resulting in the reduction of the Company’s total number of issued shares, no further SIS Options shall be offered until such aggregate number of Shares to be issued under the SIS falls below the Maximum SIS Shares. Any SIS Options granted prior to the adjustment of the total number of issued shares of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with the terms of the By-Laws.

Please refer to **Section 5.1** of this announcement for the illustrative effects on SAC’s issued share capital pursuant to the exercise of SIS Options.

2.1.2 Eligibility

Subject to the By-Laws, any employees may be considered as eligible from time to time and at any time for the purposes of the Scheme by the SIS Committee.

Eligible Persons who fulfil the following criteria of eligibility as at the Date of Offer shall be eligible for consideration by the SIS Committee to participate in the Scheme:

- (a) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (b) has either the following:
 - (i) has been employed by the Group as a full-time employee or serving in a specific designation under an employment contract with the Group for a fixed duration (or any other contract as may be determined by the SIS Committee), is on the payroll of any company within the Group, has since been confirmed in writing and is no longer under any probation, and has not served a notice of resignation or received a notice of termination prior and up to the Date of Offer; or
 - (ii) is employed by a corporation which is acquired by the Group during the Duration of the SIS and becomes a subsidiary of the Group upon such acquisition, he/she must have been confirmed in writing and is no longer under any probation, and/or for such period as may be determined by the SIS Committee in the Group as at the date that such company becomes or is deemed to be a subsidiary of the Group and has not served a notice to resign or received a notice of termination prior to and up to the Date of Offer; and
- (c) is under such categories and/or fulfils such other eligibility criteria as may be determined by the SIS Committee from time to time at its absolute discretion.

The selection of any Eligible Person for participation in the SIS shall be at the sole discretion of the SIS Committee whose decision shall be final and binding.

For the avoidance of doubt, the SIS Committee may at its sole and absolute discretion determine any other eligibility criteria and/or waive any of the eligibility criteria as set out above, for purposes of selecting an Eligible Person, from time to time, provided always that no member of the SIS Committee shall participate in the deliberation or discussion of their own allocation of the SIS Options or allocation of the SIS Options to the persons connected with them.

If any Eligible Person who is a person connected with the Director, major shareholder or chief executive of the Company (“**Interested Parties**”)(“**Interested Person Connected**”), is eligible to participate in the Scheme, the specific allocation of the SIS Options granted by the Company to such Interested Person Connected under the Scheme must first be approved by the shareholders of the Company at a general meeting, provided that such Interested Parties and/or Interested Person Connected shall not vote on the resolution approving the allocation to them and/or persons connected with them.

The eligibility for consideration under the SIS shall not confer upon the Eligible Persons a claim or right to participate in or any rights whatsoever under the SIS and an Eligible Person does not acquire or has any rights over the SIS Options unless an Offer has been made in writing by the SIS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the By-Laws (“**Grantee(s)**”).

2.1.3 Basis of allocation and maximum allowable allotment

The aggregate maximum number of Shares that may be allocated to any Eligible Persons shall be determined by the SIS Committee provided that the number of new Shares allocated to any Eligible Persons who, either singly or collectively through persons connected with the Eligible Persons, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed 10% of the Maximum SIS Shares (“**Maximum Allowable Allocation**”).

Subject to the Maximum SIS Shares, Maximum Allowable Allocation and any adjustment which may be made under the By-Laws, the basis for determining the aggregate number of Shares that may be offered and/or allocated under the Scheme to the Eligible Persons shall be at the sole and absolute discretion of the SIS Committee after taking into consideration, among others, the provisions of the Listing Requirements or other applicable regulatory requirements relating to employees’ and/or directors’ share issuance scheme and after taking into consideration factors which may include the Eligible Persons’ position, job performance, seniority, duration of service, potential for future development and contribution to the success and development of the Group.

The SIS Committee may make one or more SIS Offer to an Eligible Person provided that the aggregate number of SIS Offer so offered to an Eligible Person throughout the entire Duration of the SIS does not exceed the Maximum Allowable Allocation of such Eligible Person.

The Eligible Persons shall not participate in any deliberation or discussion of their own allocation and/or those of persons connected to them.

At any point in time during the Duration of the SIS, not more than 70% of the total Shares made available under the Scheme shall be allocated, in aggregate, to the senior management who are Eligible Persons, on the basis that they are crucial to the performance of the Group.

The SIS Committee may from time to time at its sole and absolute discretion decide whether the allocation and granting of the SIS Options to the Eligible Persons will be based on staggered granting during the Duration of the SIS or in a single grant and/or whether the SIS Options are subject to any vesting period, and if so, to determine the vesting conditions, including whether such vesting conditions are subject to performance target, of which such determination will be carried out at a later date after the establishment of the SIS and formation of the SIS Committee.

2.1.4 Duration and Termination of the Scheme

The Scheme, when implemented, shall be in force for a period of 5 years commencing from the effective date of its implementation (“**Effective Date**”), which shall be the date of full compliance with all relevant requirements of the Listing Requirements, including the following:

- (i) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance and a checklist showing compliance with the relevant requirements as may be prescribed by Bursa Securities (and/or such other documents as may be determined by Bursa Securities from time to time);
- (ii) receipt of approval or approval-in principle, as the case may be, from Bursa Securities for the listing and quotation of the new Shares to be issued pursuant to the exercise of the SIS Options on the ACE Market;
- (iii) procurement of shareholders’ approval for the Scheme in a general meeting;

- (iv) receipt of approval of any other relevant authorities whose approvals are necessary in respect of the Scheme, where applicable; and
- (v) fulfilment or waiver (as the case may be) of any conditions attached to any of the abovementioned approvals, if any.

On or before the expiry of the initial 5 year period, the Scheme may be extended for a further period of up to 5 years, at the sole and absolute discretion of the Board upon the recommendation by the SIS Committee and without having to obtain the approval of the Company's shareholders, provided always that the total duration of the SIS shall not in aggregate exceed a duration of 10 years (or such other period as may be prescribed by Bursa Securities in compliance with the Listing Requirements or any other relevant authorities) from the Effective Date.

Subject to compliance with the Listing Requirements and any other relevant authorities, the Scheme may be terminated by the Company at any time before its expiry provided that the Company makes an announcement immediately to Bursa Securities on the following:

- (a) the effective date of termination of the Scheme ("**Termination Date**");
- (b) the number of SIS Options vested and exercised; and
- (c) the reasons and justification for termination of the Scheme.

In the event of termination as stipulated above, the following provisions shall apply:

- (aa) no further offers shall be made by the SIS Committee from the Termination Date;
- (bb) all offers which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date; and
- (cc) all outstanding SIS Options which have yet to be exercised or vested by the Grantees shall automatically lapse on the Termination Date and become null and void.

Approval or consent of the shareholders of the Company by way of a resolution and written consent of the Grantee in relation to unvested and/or unexercised SIS Options or Shares are not required to effect a termination of the Scheme.

2.1.5 Option Price

Subject to any adjustments in accordance with the By-Laws and pursuant to the Listing Requirements, the Option Price of each Share comprised in any SIS Options shall be a price to be determined by the Board upon recommendation and suggestion by the SIS Committee based on the 5-day volume weighted average market price ("**5D VWAP**") of SAC Shares, immediately preceding the Date of Offer, with a discount of not more than 10% or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities and/or any other relevant authorities as may be amended from time to time during the Duration of the SIS.

The Option Price as determined in the manner set out above shall be conclusive and binding on the Grantees, subject to any adjustments that may be made in accordance with the By-Laws.

2.1.6 Ranking of the new SAC Shares to be allotted and issued upon exercise of the SIS Options

The new SAC Shares to be allotted and issued arising from the exercise of the SIS Options will be subject to the provisions of the constitution of the Company, and shall, upon allotment and issuance, rank equally in all respects with the existing SAC Shares, save and except that the holders of such new SAC Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid to shareholders of the Company, prior to the date of allotment of such new SAC Shares to be issued arising from the exercise of the SIS Options.

2.1.7 Listing and quotation of the new SAC Shares to be issued arising from the exercise of the SIS Options

The new SAC Shares to be issued arising from the exercise of the SIS Options will, upon allotment and issuance, be listed on the ACE Market of Bursa Securities.

An application will be made to Bursa Securities for the listing and quotation of new SAC Shares to be issued arising from the exercise of the SIS Options on the ACE Market of Bursa Securities.

2.1.8 Retention/restriction period of new SAC Shares

Subject to the constitution of the Company, the Listing Requirements and provision of the By-Laws, the new SAC Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of the SIS Options will not be subject to any retention period and/or such other restrictions of transfer. However, the Company encourages Grantees to hold the new SAC Shares to be issued and/or transferred pursuant to the exercise of the SIS Options as a long-term investment rather than for any speculative purposes and/or the realisation of any immediate gain.

The SIS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer of the Shares to be issued and/or transferred pursuant to the exercise of the SIS Options in its sole and absolute discretion.

2.1.9 Alteration of share capital and adjustment

In the event of any alteration in the capital structure of the Company during the Duration of the SIS, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of SAC Shares or capital reduction or any other variation of capital being effected, the SIS Committee may determine whether a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of SAC during the Duration of the SIS and if it so determines (i.e. that a material dilution or enlargement of the rights of the Grantees would result from such alteration in the capital structure of SAC) adjustments in:

- (i) the Option Price of the SIS Options; and/or
- (ii) the number of new Shares comprised in the unexercised SIS Options granted to each Grantee,

may be made in order to prevent dilution or enlargement in compliance with the provisions of adjustments as provided under the By-Laws.

2.1.10 Modification, variation and/or amendment to the By-Laws

Subject to the By-Laws and compliance with the Listing Requirements and any other relevant rules and regulations, the SIS Committee may at any time and from time to time recommend to the Board any modification, variation and/or amendment of the By-Laws (“**Variations**”) as it shall at its sole and absolute discretion think fit and the Board shall have the power at any time and from time to time by resolution to make any modification, variation and/or amendment of the By-Laws under such recommendation.

The approval of the shareholders of the Company in a general meeting shall not be required in respect of the Variations provided that no Variations would:

- (i) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee;
- (ii) increase the number of Shares available under the Scheme beyond the Maximum SIS Shares;
- (iii) prejudice any rights of the shareholders of the Company; or
- (iv) alter to the advantage of an Eligible Person and/or Grantee(s) in respect of any matters which are required to be contained in the By-Laws pursuant to the Listing Requirements.

2.1.11 Use of proceeds

The actual amount of proceeds to be received from the Proposed SIS will depend on, among others, the actual number of SIS Options granted and exercised at the relevant point of time and the Option Price. As such, the actual amount and timing of proceeds to be received upon exercise of SIS Options and the timeframe for utilisation of such proceeds are not determinable at this juncture.

Notwithstanding the above, the Company intends to use the proceeds arising from the exercise of the SIS Options for general working capital requirements of the Group, as and when the proceeds are received throughout the Duration of the SIS, as the Board may deem fit. The general working capital requirements of the Group includes, among others, for the purchase of raw materials such as binder, pigments, additive, solvent, extender and colour paste as well as the payment of staff related expenses and other statutory contributions and payments, and defrayment of other administrative expenses. The proceeds to be utilised for each component of working capital are subject to the Group’s operating requirements at the time of receipt of the proceeds, hence the breakdown cannot be determined at this juncture.

Pending utilisation of proceeds raised as and when the SIS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be similarly used for the general working capital requirements of the Group.

The estimated expenses in relation to the Proposals (excluding the non-cash expenses arising from the granting of the SIS Options under Malaysian Financial Reporting Standards 2 on share-based payment (“**MFRS 2**”) as detailed in **Section 5.4** of this announcement) are approximately RM0.19 million, which will be funded through internally generated funds of the Company.

2.2 Proposed Allocation

Pursuant to Rule 6.07(1) of the Listing Requirements, the Company shall not issue any SAC Shares or other convertible securities to the Interested Parties, or an Interested Person Connected, unless the shareholders of the Company have approved the specific allotment to be made to them in a general meeting.

Accordingly, the Company proposes to seek the approval of the Company's shareholders at the extraordinary general meeting ("**EGM**") to be convened for the SIS Committee to offer and/or grant to certain persons connected with the Directors who are Eligible Persons, the options to subscribe for such number of SAC Shares to be issued under the SIS. Such offer and/or grant is subject to the condition that not more than 10% of new Shares to be issued under the SIS at the point in time when the Offer is made, should be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

The Board is of the view that the Proposals are an appropriate avenue of rewarding the Eligible Persons as the Proposals are intended to:

- (i) recognise the contributions and services of the Eligible Persons that are considered vital to the operations and continued growth of the Group and to reward such Eligible Persons by allowing them to participate in the Group's profitability by way of potentially realising capital gains that may arise from appreciation in the price of the SAC Shares;
- (ii) align the Eligible Persons' interests to those of the shareholders of SAC to drive longer term shareholder value enhancement;
- (iii) motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (iv) instil a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the long-term development and growth of the Group;
- (v) attract and retain high-calibre Eligible Persons, and in turn enable the Group to better retain its talent pool and minimise any potential loss of performing key personnel; and
- (vi) serve as an alternative scheme of reward instead of bonus and salary increment which would increase the Group's expenses and cash outflow.

Premised on the above, the Board is of the view that it is in the interest of the Company to grant SIS Options to the Eligible Persons to motivate and incentivise the key management and employees to drive growth and improvement in the financial performance of the Group, which is aligned with the interests of the shareholders of the Company.

4. PREVIOUS FUND-RAISING EXERCISES IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not undertaken any other fund-raising exercise in the past 12 months preceding the date of this announcement and any other equity fund-raising exercises undertaken of which proceeds raised have yet to be fully utilised as at 6 March 2026, being the latest practicable date prior to this announcement (“**LPD**”):

- (i) Initial public offering on the ACE Market of Bursa Securities (“**IPO**”)

The Company was listed on the ACE Market of Bursa Securities on 28 May 2024. In conjunction with the listing exercise, the Company had undertaken a public issue of 93,500,000 new SAC shares at an issue price of RM0.40 per Share, raising gross proceeds of RM37.40 million (“**IPO Proceeds**”).

The status of the utilisation of IPO Proceeds as at the LPD is as follows:

Details of utilisation	Proposed utilisation	Actual utilisation as at the LPD	Balance unutilised	⁽¹⁾ Estimated timeframe for utilisation
	RM'000	RM'000	RM'000	
Establishment of Perak Plant:				
(a) Construction of Perak Plant	16,000	16,000	-	Within 12 months
(b) Purchase and commissioning of automated paint production system	11,000	11,000	-	⁽²⁾ Within 24 months
Purchase of 250 sets of Smart Colour POS Tinting Machine	5,000	1,057	3,943	Within 36 months
Working capital	1,300	1,300	-	Within 12 months
Listing expenses	4,100	4,100	-	Within 1 month
Total	37,400	33,457	3,943	

Notes:

- (1) From 28 May 2024, being the date of listing of the Company on the ACE Market of Bursa Securities.
- (2) On 13 May 2025, the Board has approved the extension of time for its utilisation of proceeds for the intended purpose for an additional 12 months from the date of listing on 28 May 2024.

5. EFFECTS OF THE PROPOSALS

For illustration purposes, the pro forma effects of the Proposals on the Company's issued share capital, net assets ("NA"), NA per SAC Share, gearing, earnings, earnings per SAC Share ("EPS") and substantial shareholders' shareholdings in the Company are set out below:

5.1 Share capital

The Proposals are not expected to have an immediate effect on the existing issued share capital of SAC until such time when the SIS Options are exercised into new SAC Shares. The issued share capital of the Company will increase progressively depending on the number of new SAC Shares to be issued arising from the exercise of the SIS Options.

For illustration purposes, the pro forma effects of the Proposals on the Company's issued share capital based on the assumption that the number of SIS Options granted amounts to 10% of the total number of issued shares of SAC (excluding treasury shares, if any) as at the LPD, are as follows:

	No. of Shares	RM
Issued share capital as at the LPD ⁽¹⁾	369,850,420	91,326,454
To be issued pursuant to full exercise of the SIS Options	⁽²⁾ 36,985,000	⁽³⁾ 6,812,637
Enlarged issued share capital	406,835,420	98,139,091

Notes:

- (1) As at the LPD, there are no treasury shares held by the Company.
- (2) Assuming that the number of SIS Options amounts to approximately 10% of the total number of issued shares of SAC.
- (3) Calculated based on an assumed exercise price of RM0.1842 per SIS Option, representing no discount to the 5D VWAP of SAC Shares up to and including the LPD of RM0.1842 per SAC Share.

5.2 NA, NA per SAC Share and gearing

The Proposals are not expected to have an immediate effect on the NA, NA per SAC Share and gearing of the Group until such time when the SIS Options are exercised into new SAC Shares.

The effects on the NA, NA per SAC Share and gearing of the Group will depend on, among others, the Option Price, number of SIS Options to be granted, vesting conditions and number of new SAC Shares to be issued arising from the exercise of the SIS Options.

For illustrative purposes, upon the exercise of the SIS Options, the NA per SAC Share is expected to:

- (i) increase if the Option Price is higher than the NA per SAC Share; or
- (ii) decrease if the Option Price is lower than the NA per SAC Share,

at the point of the exercise of the SIS Options.

In addition, upon exercise of the SIS Options, the gearing of SAC Group will decrease given that the NA will increase as a result of the exercise of the SIS Options.

Any potential effect on the NA and gearing of the Group in the future will depend on the number of SIS Options granted and exercised, the Option Price and the non-cash expenses arising from the granting of the SIS Options under MFRS 2. The quantum of such impact cannot be determined at this juncture as it will be measured at the date of granting the SIS Options.

5.3 Substantial shareholders' shareholdings

The Proposals are not expected to have any immediate effect on the substantial shareholders' shareholdings in the Company until and unless new SAC Shares are issued arising from the exercise of the SIS Options. Any potential effect on the substantial shareholders' shareholdings in the Company would depend on the number of new SAC Shares to be issued at the relevant point in time.

For illustrative purposes, upon the exercise of the SIS Options, the effects of the Proposals on the substantial shareholders' shareholdings in the Company are as follows:

Name	As at the LPD				After the Proposals			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(3) %	No. of Shares	(3) %
Goh Chye Hin	166,069,789	44.90	⁽²⁾ 10,000,000	2.70	166,069,789	40.82	⁽²⁾ 10,000,000	2.46
Kee Hui Lang	32,656,011	8.83	⁽²⁾ 10,000,000	2.70	32,656,011	8.03	⁽²⁾ 10,000,000	2.46

Notes:

- (1) Computed based on the total number of issued Shares of 369,850,420 as at the LPD.
- (2) Deemed interested by virtue of the direct shareholding of their children, Goh Sim Yee and Goh Ji Syuan, pursuant to Section 59(11)(c) of the Act.
- (3) Computed based on the enlarged issued share capital of 406,835,420 pursuant to the issuance of 36,985,000 new SAC Shares assuming the full exercise of the SIS Options.

5.4 Earnings and EPS

The Proposals are not expected to have any immediate material effect on the Group's consolidated earnings and EPS for the financial year ending 31 December 2026.

In accordance with the MFRS 2, the potential cost arising from the grant of the SIS Options is measured at the Date of Offer based on the fair value of the SIS Options granted and recognised as an expense over the vesting period of the SIS Options.

The total potential cost of granting the SIS Options would depend on, among others, the number of SIS Options granted and the fair value of the SIS Options. The fair value of the SIS Options is dependent on, among others, the volatility of SAC Shares, the Option Price and the Duration of the SIS. As such, the effect of the Proposals on the consolidated earnings of the Group and EPS cannot be determined at this juncture. However, it should be noted that such expense recognised does not represent a cash outflow as it is merely an accounting treatment.

For illustrative purposes, excluding the effects of the potential cost arising from the grant of the SIS Options pursuant to MFRS 2, the Proposals are expected to have a dilutive effect on the Group's EPS due to the increase in the number of issued SAC Shares upon issuance of the new Shares as and when the SIS Options are exercised in the future.

The Board has taken note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration such impact in the allocation and granting of the SIS Options to the Eligible Persons.

5.5 Convertible securities

As at the LPD, the Company does not have any convertible securities in issue.

6. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the listing and quotation of the new SAC Shares to be issued arising from the exercise of the SIS Options on the ACE Market of Bursa Securities; and
- (ii) shareholders of the Company at an EGM to be convened.

7. CONDITIONALITY OF THE PROPOSALS

The Proposed Allocation is conditional upon the Proposed SIS.

The Proposed SIS is not conditional upon the Proposed Allocation.

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

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER, CHIEF EXECUTIVE AND PERSONS CONNECTED

It is the intention of the Company that the Directors will not be eligible to participate in the Scheme. However, as the Eligible Persons under the Scheme comprise certain Interested Persons Connected, therefore the relevant Directors and/or major shareholder are deemed interested in the Proposals to the extent of the specific allocations to such Interested Persons Connected with them under the Scheme.

Save as disclosed below, none of the Directors, major shareholder and chief executive of the Company and persons connected with them have any interest, direct or indirect, in the Proposals:

Interested Parties	Interested Persons Connected	Designation of the Interested Persons Connected in the Group	Relationship of the Interested Persons Connected to the Interested Parties
Goh Chye Hin and Kee Hui Lang	Goh Sim Yee	Operations director	Child of Goh Chye Hin, the Director and major shareholder of SAC and Kee Hui Lang, the Director of SAC
Goh Chye Hin and Kee Hui Lang	Goh Ji Syuan	Director of subsidiaries	Child of Goh Chye Hin, the Director and major shareholder of SAC and Kee Hui Lang, the Director of SAC

Premised on the above, Goh Chye Hin and Kee Hui Lang are deemed interested in the Proposals to the extent of the specific allocations to such Interested Persons Connected with them under the Scheme (“**Interested Directors**”). Accordingly, they have abstained and will continue to abstain from deliberating, expressing any opinion and making any recommendations at all relevant Board meetings in respect of the Proposed SIS and specific allocations to such Interested Persons Connected with them under the Scheme.

In addition, the abovementioned Interested Directors will also abstain from voting in respect of their respective direct and/or indirect shareholdings in the Company on the ordinary resolutions pertaining to the Proposals, of which are to be tabled at the EGM to be convened for the Proposals. Further, they will also undertake to ensure that the Interested Persons Connected with them will likewise abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the aforementioned ordinary resolutions to be tabled at the EGM to be convened.

The details of the shareholdings of the Interested Directors as at the LPD are as follows:

Name	As at the LPD			
	Direct		Indirect	
	No. of Shares	(1) %	No. of Shares	(1) %
<u>Director and major shareholder</u> Goh Chye Hin	166,069,789	44.90	(2) 10,000,000	2.70
<u>Director</u> Kee Hui Lang	32,656,011	8.83	(2) 10,000,000	2.70

Notes:

- (1) Computed based on the total number of issued Shares of 369,850,420 as at the LPD.
- (2) Deemed interested by virtue of the direct shareholding of their children, Goh Sim Yee and Goh Ji Syuan, pursuant to Section 59(11)(c) of the Act.

9. DIRECTORS' STATEMENT

The Board (save for the Interested Directors), having considered the relevant aspects of the Proposals, including but not limited to the rationale, justification, utilisation of proceeds and the effects of the Proposals, is of the opinion that the Proposals are in the best interests of the Company.

In view that the Interested Directors are deemed interested in the Proposals to the extent of the proposed allocations to the Interested Persons Connected with them, under the Proposals, the abovementioned Directors will abstain from forming any opinion and making any recommendation on the resolutions on the Proposed SIS and the proposed allocations to the Interested Persons Connected with them under the Scheme, to be tabled at the EGM to be convened for the Proposals.

10. PRINCIPAL ADVISER

TA Securities has been appointed by the Company to act as the Principal Adviser for the Proposals.

11. ESTIMATED TIMEFRAME FOR APPLICATION TO THE RELEVANT AUTHORITIES AND COMPLETION

The application to Bursa Securities in respect of the Proposals is expected to be submitted within 1 month from the date of this announcement.

Barring any unforeseen circumstances and subject to all required approvals as set out in **Section 6** of this announcement being obtained, the Board expects the Proposals to be completed by the second quarter of 2026.

This announcement is dated 16 March 2026.