

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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SENTORIA GROUP BERHAD
(Registration No. 199801007217 (463344-K))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) PROPOSED CONSOLIDATION OF EVERY 4 EXISTING ORDINARY SHARES IN SENTORIA GROUP BERHAD (“SENTORIA” OR “COMPANY”) (“SENTORIA SHARES” OR “SHARES”) INTO 1 SENTORIA SHARE (“CONSOLIDATED SHARE(S)”) (“PROPOSED SHARE CONSOLIDATION”); AND**
- (II) PROPOSED ISSUANCE OF REDEEMABLE CONVERTIBLE BONDS (“BONDS”) (CONVERTIBLE INTO UP TO 306,690,544 NEW SENTORIA SHARES, BEING THE MAXIMUM PERMITTED NUMBER OF SHARES IN SENTORIA) WITH AN AGGREGATE NOMINAL VALUE OF UP TO RM150.00 MILLION (“PROPOSED RCB”)**

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



MERCURY SECURITIES SDN BHD
(Registration No. 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“EGM”) of Sentoria which is scheduled to be conducted virtually at the Broadcast Venue at BO1-A-09, Menara 2, KL Eco City, 3 Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Thursday, 25 April 2024 at 4:00 p.m. or any adjournment thereof, together with the Form of Proxy are enclosed herein. The notice of EGM together with the Form of Proxy that are set out in this Circular and the Administrative Guide can be viewed and downloaded from the designated website link at <https://sentoria.com.my/investor-hub/>.

A shareholder who appoints proxy may deposit the duly executed Form of Proxy in hard copy form or by electronic means before 4:00 p.m. on Tuesday, 23 April 2024. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited to Poll Administrator of Sentoria Group Berhad at No. 6-2, Level 2, Plaza Crystalville II, No. 6, Jalan 22B/70A, Desa Sri Hartamas, 50480 W.P. Kuala Lumpur, Malaysia, and in the case of electronic appointment, the Form of Proxy must be electronically lodged to the Company, by emailing to investor@sentoria.com.my or e-registered at bit.ly/SentoriaEGM_Proxy.

The lodging of the Form of Proxy will not preclude you from participating and voting remotely at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 23 April 2024 at 4:00 p.m.

Date and time of the EGM : Thursday, 25 April 2024 at 4:00 p.m.

This Circular is dated 3 April 2024

DEFINITIONS

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

5D-VWAP	:	5 -day VWAP
Act	:	Companies Act, 2016
Announcement	:	Announcement dated 18 January 2024 in relation to the Proposals
Approvals	:	All necessary approvals, consents, certification and/or waiver of Bursa Securities or any other regulatory authorities or governmental bodies and any third party where required, including financier, counterparty to a contract to which the Company or its subsidiary is a party, for the issuance of the Bonds, the allotment and issue of the Conversion Shares upon the exercise of the Conversion Rights, the listing of the Conversion Shares on the Main Market and such other relevant approvals in relation thereto and in connection therewith
Board	:	The Board of Directors of Sentoria
Bondholder(s)	:	Holder(s) of the Bonds
Bonds	:	1.0% redeemable convertible bonds with an aggregate nominal value of up to RM150,000,000.00 to be subscribed by the Subscriber under the Subscription Agreement, which will mature on the Maturity Date
Bond Issue Price	:	In relation to each Bond, the amount equivalent to 100% of the nominal value of the Bond
Bonds Subscription Notice	:	Notice to be issued by the Subscriber to the Company to request for the issuance of the Bonds under the Subscription Agreement, the form of which is set out in the Subscription Agreement, subject to the terms of the Subscription Agreement
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Business Day(s) or Market Day(s)	:	A day on which banks are open for business in Kuala Lumpur, Malaysia and Bursa Securities is open for trading, ending at 5.00 p.m. (Malaysia Standard Time or MST)
CDRC	:	Corporate Debt Restructuring Committee, formed by Bank Negara Malaysia to provide a platform for both debtors and creditors to work out feasible debt restructuring schemes without having to resort to legal proceedings
Circular	:	This circular to the shareholders of the Company dated 3 April 2024 in relation to the Proposals
CMSA	:	Capital Markets and Services Act, 2007
Closing Date	:	In respect of each sub-tranche of the Bonds, the date on which such sub-tranche of the Bonds is subscribed for and issued pursuant to the Subscription Agreement

DEFINITIONS (*Cont'd*)

Closing Price	:	In respect of a Share, on any particular Business Day, the closing price of the Shares on the Main Market for one Share on that day (as adjusted pursuant to the Subscription Agreement) provided that in the event that there has been no trading of the Shares on that day the "Closing Price" shall mean the closing price of one Share (as adjusted pursuant to Subscription Agreement) on the preceding Business Day on which there was trading of the Shares and provided further that in the event that trading of the Shares is suspended, the "Closing Price" means, in respect of a Share, the last reported trading price of one Share (as adjusted pursuant to Subscription Agreement) on the Business Day immediately prior to such suspension
Constitution	:	Constitution of the Company
Consolidated Share(s)	:	New Sentoria Share(s) after the Proposed Share Consolidation
Consolidated Warrant(s) B	:	New Warrant(s) B after the Proposed Share Consolidation
Conversion Date	:	The date on which the Conversion Notice is received by the Company via email, provided that if the Conversion Notice is received by the Company via email after 2.00 p.m. Malaysia time on such Business Day, the "Conversion Date" shall be the Business Day immediately after such Business Day
Conversion Notice	:	A completed notice of conversion in the form as set out in the Subscription Agreement
Conversion Price	:	The price at which each Conversion Share shall be issued upon conversion of the Bonds, as set out in the Subscription Agreement
Conversion Rights	:	The right of a Bondholder to convert any Bond
Conversion Share(s)	:	New Sentoria Share(s) to be issued pursuant to the conversion of the Bonds at the conversion terms, subject to the terms and conditions as set out in the Subscription Agreement
Deed Poll B	:	The deed poll constituting the Warrants B and governing the rights of the Warrant B Holders
Directors	:	Directors of the Company based on the meaning under Section 2(1) of the Act and Section 2(1) of the CMSA
EGM	:	Extraordinary general meeting of the Company
Entitlement Date	:	Entitlement date to be determined and announced later by the Board
EPS	:	Earnings per Sentoria Share
Exercise Notice	:	Exercise notice in the form as set out in Schedule 6 of the Subscription Agreement
FPE	:	Financial period ended / ending, as the case may be
Fulfilment Date	:	Date falling 5 calendar months from the date of the Subscription Agreement, or such other date as the Parties may agree in writing

DEFINITIONS (*Cont'd*)

GDC	:	Gross development cost
GDV	:	Gross development value
FYE	:	Financial year ended / ending, as the case may be
Interested Person	:	Being the Director, major shareholder or chief executive of Sentoria or a holding company of Sentoria
LAT	:	Loss after taxation
LBT	:	Loss before taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LOLA Guidelines	:	Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC
Lodgement	:	<p>The lodgement of all information and documents as may be specified in the LOLA Guidelines and in compliance with the Act, the CMSA, Listing Requirements, the LOLA Guidelines and such other applicable laws and regulations for the issuance of the Bonds. For information, the following documents are required to be lodged to the SC:</p> <ol style="list-style-type: none">(1) Lodgement form which, amongst others, includes the principal term and conditions;(2) Compliance checklist with the LOLA Guidelines;(3) Latest audited financial accounts of the Company;(4) Declaration by the Company; and(5) Copies of approval from other relevant regulatory authorities. <p>Tentative timeline for the Lodgement to take place is after the shareholder's approval for the Proposed RCB has been obtained at the forthcoming EGM.</p>
LPD	:	15 March 2024, being the latest practicable date prior to the date of this Circular
LPS	:	Loss per Sentoria Share
Main Market	:	Main Market of Bursa Securities
Main Tranche(s)	:	The main tranche(s) of the Proposed RCB comprising the Main Tranche 1 Bonds, Main Tranche 2 Bonds and Main Tranche 3 Bonds
Main Tranche 1 Bonds	:	Main tranche 1 Bonds with an aggregate nominal value of up to RM50.0 million comprising multiple sub-tranches with a minimum sub-tranche size of RM500,000.00 each
Main Tranche 2 Bonds	:	Main tranche 2 Bonds with an aggregate nominal value of up to RM50.0 million comprising multiple sub-tranches with a minimum sub-tranche size of RM500,000.00 each
Main Tranche 3 Bonds	:	Main tranche 3 Bonds with an aggregate nominal value of up to RM50.0 million comprising multiple sub-tranches with a minimum sub-tranche size of RM500,000.00 each

DEFINITIONS (*Cont'd*)

Maturity Date	:	The date falling 36 months (3 years) from the closing date of the first sub-tranche of Tranche 1 Bonds
Maximum Conversion Shares or MCS	:	Such number of Shares representing 200% of the total issued and paid-up ordinary shares of the Company (excluding treasury shares) after completion of the Proposed Share Consolidation and as at the Closing Date of the first Sub-Tranche 1 Bonds, which shall be up to 306,690,544 Conversion Shares (subject to further corresponding adjustments in the event of stock splits, consolidation and/or re-classification of the Shares) or any other number of Shares as may be approved by Bursa Securities and/or the shareholders at general meeting
MBRC	:	Morib Bay Resort City
Minimum Conversion Price or MCP	:	RM0.20, being the minimum Conversion Price for the Bonds to be converted into Conversion Shares
Mercury Securities or Principal Adviser	:	Mercury Securities Sdn Bhd (Registration No. 198401000672 (113193-W))
NA	:	Net assets
Official List	:	A list specifying all securities that have been admitted for listing on Bursa Securities and not removed
Parties	:	Company and Subscriber, collectively
Previous Private Placement	:	The previous private placement exercise, announced on 30 September 2022 and completed on 12 May 2023
Proposals	:	Collectively, the Proposed Share Consolidation and Proposed RCB
Proposed Share Consolidation	:	Proposed consolidation of every 4 existing Sentoria Shares into 1 Consolidated Share
Proposed RCB	:	Proposed issuance of Bonds with an aggregate principal amount of up to RM150.0 million
Record of Depositors	:	A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
RSKU	:	" <i>Rumah Selangorku</i> " or My Selangor Home, an affordable housing scheme introduced by the Selangor state government
SC	:	Securities Commission Malaysia
Sentoria or Company	:	Sentoria Group Berhad (Registration No. 199801007217 (463344-K))
Sentoria Group or Group	:	Sentoria and its subsidiaries, collectively
Sentoria Share(s) or Share(s)	:	Ordinary share(s) in Sentoria

DEFINITIONS (Cont'd)

Shareholders' Approval	:	The approval of the shareholders of Sentoria for the invitation for subscription, or the issue, of the Bonds and the allotment and issue of the Conversion Shares in accordance with the terms and conditions of the Subscription Agreement and all other matters in relation to and in connection therewith
Subscriber or Triton	:	Triton Capital Fund VCC (Registration no: T20VC0036F), an umbrella variable capital company incorporated in Singapore under the laws of Singapore on 26 March 2020, acting on behalf of and for the account of TCF Fund A
Sq. ft.	:	Square feet
TARP	:	Theoretical adjusted reference price
Titus	:	Titus Investment Management Pte. Ltd.
Subscription Agreement	:	A conditional subscription agreement dated 18 January 2024 entered into between Sentoria and Subscriber in relation to the Proposed RCB
VWAP	:	Volume weighted average market price
Warrant(s) B	:	Existing warrants B (2018 / 2025) of the Company which will expire on 9 January 2025. Each warrant holder is entitled the right to subscribe for 1 Sentoria Share at an exercise price of RM0.60
Warrant B Holder(s)	:	The holder(s) of the Warrant(s) B
Warranties	:	All the representations, warranties, undertakings and covenants by the Company as set out in the Subscription Agreement

CURRENCIES

RM and sen	:	Ringgit Malaysia and sen
SGD	:	Singapore Dollar

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Any reference to persons in this Circular shall include corporations, unless otherwise specified.

Any reference to any statutes, rules, regulations, enactments or rules of the stock exchange in this Circular is a reference to such statutes, rules, regulations, enactments or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time of day and date, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

DEFINITIONS (Cont'd)

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 the 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 the Group's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. The shareholders of Sentoria are advised to read this Circular in its entirety for further details of the Proposals and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming EGM.

Key information	Description	Reference in Circular
Summary of the Proposals	Sentoria intends to undertake the following:	Section 2
	<ul style="list-style-type: none"> <u>Proposed Share Consolidation</u> <p>The Proposed Share Consolidation entails the consolidation of every 4 existing Sentoria Shares into 1 Consolidated Share.</p> <p>As at the LPD, the issued share capital of the Company is RM164,966,879 comprising 622,977,991 Shares (including 9,596,900 treasury shares). In addition, the Company has an outstanding 205,867,236 Warrants B. For the avoidance of doubt, upon completion of the Proposed Share Consolidation, the 9,596,900 treasury shares will also be consolidated into 2,399,225 Consolidated Shares.</p> <u>Proposed RCB</u> <p>The Proposed RCB entails the issuance of redeemable convertible bonds with an aggregate nominal value of up to RM150.0 million, which will mature on the Maturity Date.</p> <p>The price at which each Sentoria Share shall be issued upon conversion of the Bonds, shall be 80% of the average Closing Price per Share on any 3 consecutive Business Days as selected by the Bondholder during the 40 Business Days immediately preceding the relevant Conversion Date on which the Shares were traded on the Main Market provided that the Conversion Price for each Share shall not be less than the MCP. If the Conversion Price for each Share calculated is less than the MCP, the Conversion Price for each Share shall be equal to the MCP.</p> <p>The maximum number of Shares which may be issued pursuant to the conversion of the Bonds which shall be up to 306,690,544 Shares (subject to corresponding adjustments in the event of stock splits, consolidation and/or re-classification of the Shares) or any other number of Shares as may be approved by Bursa Securities and/or the shareholders at general meeting.</p> 	
Rationale and justifications for the Proposals	<ul style="list-style-type: none"> <u>Proposed Share Consolidation</u> <p>The Proposed Share Consolidation will enhance the Company's share capital structure as the consolidation of the existing Sentoria Shares will reduce the number of the Company shares available in the market. Hence, the Company shall benefit from easier management of a smaller number of Sentoria Shares and all else being equal, would be indifferent to the shareholders as the Proposed Share Consolidation will not have any impact on the market value of Sentoria Shares as disclosed in Section 2.1.2 of this Circular.</p> 	Section 5

Key information	Description	Reference in Circular
	<ul style="list-style-type: none"> • <u>Proposed RCB</u> <p>The Board is of the view that the Proposed RCB is the most appropriate avenue of fund raising for the proposed utilisation of proceeds as set out in Section 4 of this Circular based on the following rationales as the Proposed RCB –</p> <p>(i) will enable Sentoria to raise funds expeditiously and cost effectively as the Company has a pre-identified investor for the Proposed RCB;</p> <p>(ii) will enable Sentoria to raise funds via the hybrid market, that is between the debt market where gearing and security or rating may be an issue, and the equity market, where current market conditions may not be conducive, as it provides flexibility to raise funds in stages when the needs for funds arise, considering that the Company has no intention to raise the entire RM150.0 million immediately;</p> <p>(iii) is considered a better alternative than other equity-fund raisings, namely –</p> <p>(a) <u>Private placement</u>:</p> <p>The Previous Private Placement, was only sufficient in meeting the Company's short-term working capital requirement.</p> <p>The Company is of the view that another round of private placement would still be insufficient for the Company's proposed short and long-term plans, amongst others, the development funding of the MBRC projects which requires a minimum fund of RM11.0 million.</p> <p>(b) <u>Rights issue</u>:</p> <p>The amount to be raised from the rights issue would depend on the subscription rate of the shareholders as there is no guarantee that the existing shareholders would take up their entitlement to a rights issue. The foregoing is also dependent on identifying potential/willing underwriter(s) in order to meet the minimum subscription for a rights issue exercise.</p> <p>(iv) with its multiple tranches issuance, provides Sentoria the flexibility to drawdown as and when the need for funds arises and dilution to the existing shareholders' shareholdings will occur progressively over the tenure of the Bonds as compared to immediate full dilution effect through fund raising via issuance of new Shares or other convertible instruments;</p> 	

EXECUTIVE SUMMARY (Cont'd)

Key information	Description	Reference in Circular
	<p>(v) will increase the liquidity of Sentoria Shares upon conversion of the Bonds and provide opportunity for new investors to participate in the equity of Sentoria; and</p> <p>(vi) will improve the Company's share capital upon conversion of the Bonds.</p>	
Approvals required/obtained	<p>The Proposals are subject to the following approvals being obtained:</p> <p>(i) Bursa Securities for the:</p> <p>(a) Proposed Share Consolidation;</p> <p>(b) listing of and quotation for the Conversion Shares pursuant to the Proposed RCB on the Main Market.</p> <p>which was obtained vide its letter dated 14 March 2024 and is subject to the conditions as disclosed in Section 9 of this Circular;</p> <p>(ii) shareholders of the Company at the forthcoming EGM; and</p> <p>(iii) any other relevant authorities or parties, if required.</p>	Section 9
Conditionality	<p>The Proposed RCB is conditional upon the Proposed Share Consolidation but not vice versa. The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.</p>	Section 9
Interests of directors, major shareholders, chief executive and/or persons connected with them	<p>None of the Directors, major shareholders, chief executive of Sentoria and/or persons connected with them has any interest, whether direct or indirect, in the Proposals.</p>	Section 11
Board's statement and recommendation	<p>The Board, after having considered all aspects of the Proposals, including but not limited to the rationale and financial effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.</p> <p>Accordingly, the Board recommends that the shareholders of Sentoria vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p>	Section 12

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SENTORIA

Build a Better Tomorrow

SENTORIA GROUP BERHAD
(Registration No. 199801007217 (463344-K))

Registered Office
56 & 58 (2nd Floor)
Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan

3 April 2024

Board of Directors

Datuk Dr. Ras Adiba binti Mohd Radzi (Independent Non-Executive Chairman)
Dato' Chan Kong San (Joint Managing Director)
Dato' Gan Kim Leong (Joint Managing Director)
Dato' Hj. Abdul Rahman bin Hj. Imam Arshad (Independent Non-Executive Director)
Datin Sri Lim Mooi Lang (Independent Non-Executive Director)
Dr. Lim Zhao Qi (Independent Non-Executive Director)
Lim Poh Seong (Independent Non-Executive Director)

To: The shareholders of Sentoria

Dear Sir/ Madam,

- (I) PROPOSED SHARE CONSOLIDATION; AND**
- (II) PROPOSED RCB**

(COLLECTIVELY REFERRED TO AS "PROPOSALS")

1. INTRODUCTION

On 18 January 2024, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals.

On 15 March 2024, Mercury Securities had, on behalf of the Board, announced that Bursa Securities has vide its letter dated 14 March 2024, resolved to approve the following:

- (i) the Proposed Share Consolidation;
- (ii) the listing of and quotation for up to 306,690,544 Conversion Shares on the Main Market subject to conditions set out in Section 9 of this Circular;

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

SHAREHOLDERS OF SENTORIA ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Share Consolidation

The Proposed Share Consolidation entails the consolidation of every 4 existing Sentoria Shares held by the shareholders of the Company, whose name appear in the Record of the Depositor of the Company on the Entitlement Date, into 1 Consolidated Share.

As at the LPD, the issued share capital of the Company is RM164,966,879 comprising 622,977,991 Shares (including 9,596,900 treasury shares). In addition, the Company has 205,867,236 outstanding Warrants B.

For the avoidance of doubt, upon completion of the Proposed Share Consolidation, the 9,596,900 treasury shares will also be consolidated into 2,399,225 Consolidated Shares.

For illustration purposes, pursuant to the Proposed Share Consolidation:

- (i) the 622,977,991 Shares (including treasury shares) as at the LPD (assuming none of the outstanding Warrants B are exercised into new Shares prior to the Entitlement Date) will be consolidated into 155,744,497 Consolidated Shares ("**Minimum Scenario**"); and
- (ii) the 828,845,227 Shares (including treasury shares) as at the LPD (assuming all of the outstanding Warrants B are exercised into new Shares prior to the Entitlement Date) will be consolidated into 207,211,306 Consolidated Shares ("**Maximum Scenario**").

For the avoidance of doubt, the actual number of Consolidated Shares will be determined based on the total number of issued shares of the Company as at the Entitlement Date after taking into consideration any new Share that may be issued arising from the exercise of Warrants B.

Any fractional entitlements for the Consolidated Shares and Consolidated Warrants B (i.e., Consolidated Share and Consolidated Warrant B of less than 1 unit each), if any, will be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit, expedient and in the best interest of the Company.

THE PROPOSED SHARE CONSOLIDATION WILL RESULT IN A REDUCTION IN THE NUMBER OF SHARES AND WARRANTS B AVAILABLE IN THE MARKET AND THE TRADING AND EXERCISE PRICE OF THE SHARES AND WARRANTS B, RESPECTIVELY, WILL BE ADJUSTED ACCORDINGLY IN PROPORTION TO THE BASIS OF THE PROPOSED SHARE CONSOLIDATION. SECURITIES HOLDERS OF SENTORIA ARE STRONGLY ADVISED TO TRADE CAUTIOUSLY TO PREVENT OVERSELLING OF THEIR POSITION IN RESPECT OF THEIR SHARES AND/OR WARRANTS B.

2.1.1 Adjustment to the reference price of the Consolidated Shares and Consolidated Warrants B

Consolidated Shares

The Proposed Share Consolidation will result in an adjustment to the reference share price of Sentoria Shares listed and quoted on the Main Market.

For illustration purposes, based on the last transacted market price of Sentoria Shares as at the LPD of RM0.065, the TARP of Sentoria Shares upon completion of the Proposed Share Consolidation is as follows:

	<u>Minimum Scenario</u>		<u>Maximum Scenario</u>	
	<u>As at the LPD/ Before the Proposed Share Consolidation</u>	<u>After Proposed Share Consolidation</u>	<u>As at the LPD/ Before the Proposed Share Consolidation</u>	<u>After Proposed Share Consolidation</u>
No. of Sentoria Shares	622,977,991	155,744,497	828,845,227	207,211,306
Closing market price / TARP⁽¹⁾	0.065	0.260 ⁽¹⁾	0.065	0.260 ⁽¹⁾
Total market value of Sentoria Shares⁽²⁾	<u>40,493,569</u>	<u>40,493,569</u>	<u>53,874,939</u>	<u>53,874,939</u>

Notes:

- (1) $\text{TARP per Sentoria Share} = \text{Market price per Sentoria Share} \times \frac{\text{No. of Shares before the Proposed Share Consolidation}}{\text{No. of Consolidated Shares}}$
- (2) $\text{Total market value of Sentoria Shares} = \text{No. of Sentoria Shares} \times \text{Market / TARP per Sentoria share}$

Based on the above, based on a shareholding of 1,000 Sentoria Shares, the effect of the Proposed Share Consolidation is as follows:

	<u>As at the LPD/ Before the Proposed Share Consolidation</u>	<u>After the Proposed Share Consolidation</u>
No. of Sentoria Shares	1,000	250
Closing market price / TARP (RM)	0.065	0.260
Total market value of shareholding (RM)	<u>65</u>	<u>65</u>

Consolidated Warrants B

For illustration purposes, the TARP per Warrant B upon completion of the Proposed Share Consolidation is set out below:

	As at the LPD/ Before the Proposed Share Consolidation	After Proposed Share Consolidation
No. of Warrants B	205,867,236	51,466,809 ⁽¹⁾
Exercise price of Warrant B	RM0.60	RM2.40 ⁽²⁾
Closing market / TARP per Warrant B	RM0.020	RM0.080 ⁽³⁾
Total market value of Warrants B ⁽⁴⁾	RM4,117,344	RM4,117,344

Notes:

- (1) Consolidated Warrants B = No. of Warrants B x $\frac{\text{No. of Shares after the Proposed Share Consolidation}}{\text{No. of Shares before the Proposed Share Consolidation}}$
- (2) New exercise price of Consolidated Warrant B = Existing exercise price of Warrant B x $\frac{\text{No. of Shares before the Proposed Share Consolidation}}{\text{No. of Consolidated Shares}}$
- (3) TARP per Warrant B = Market price per Warrant B x $\frac{\text{No. of Warrants B before the Proposed Share Consolidation}}{\text{No. of Consolidated Warrants}}$
- (4) Total market value of Warrants B = No. of Warrants B x Market / TARP per Warrant B

Based on the illustrations above, the Proposed Share Consolidation will reduce the number of Shares and Warrants B and thereafter increase the reference price of the Share and Warrant B, including the exercise price of Warrant B. However, it will not have any impact on the total market value of the securities held by the securities holders of Sentoria.

2.1.2 Ranking of the Consolidated Shares and Consolidated Warrants B

The Consolidated Shares shall rank equally in all respects with each other.

The Consolidated Warrants B shall rank equally in all respects with each other.

2.1.3 Suspension of trading in Shares and Warrants B

No suspension will be imposed on the trading of the Shares and Warrants B on the Main Market for the purposes implementing the Proposed Share Consolidation.

2.1.4 Listing date and notices of allotment

The Consolidated Shares and Consolidated Warrants B will be listed and quoted on the Main Market on the next Market Day following the Entitlement Date.

The notices of allotment of the Consolidated Shares and Consolidated Warrants B will be issued and despatched to the entitled holders within 4 market days after the listing and quotation of the Consolidated Shares and Consolidated Warrants B on the Main Market.

2.2 Proposed RCB

On 18 January 2024, Sentoria had entered into the Subscription Agreement with Triton, pursuant to which the Bonds will be issued by the Company in 3 Main Tranches, subject to the terms and conditions of the Subscription Agreement.

The Bonds are transferable and/or tradable in accordance with the terms and conditions of the Subscription Agreement. The Bonds may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to a person to whom an offer or invitation to subscribe for the Bonds and to whom the Bonds are issued, which would fall within any one of the categories of persons specified in Part 1 of Schedule 6 (or Section 229(1)(b) of the CMSA) and Part 1 of Schedule 7 (or Section 230(1)(b) of the CMSA), read together with Schedule 9 (or Section 257(3) of the CMSA), and subject to the applicable law, order, regulation or official directive of the SC from time to time (including any amendments, supplementals and variation thereto) ("**Eligible Transferee**"). While it is not the primary intent for Triton to transfer or sell the Bonds, Triton may transfer the Bonds should there be an Eligible Transferee who desires to purchase the Bonds, and such transfer is on terms as may be mutually agreed between Triton and the Eligible Transferee. To facilitate such transfer, Triton is required to complete and issue a transfer form (a form of which is set out in the Subscription Agreement) to Sentoria ("**Bonds Transfer Form**"), and to surrender the relevant Bonds certificates to Sentoria for cancellation. The Bonds Transfer Form indicates, amongst others, the number of Bonds to be transferred, and details the identity of the Eligible Transferee for Sentoria to issue new Bonds certificate(s). Separately, Triton will also enter into a sale and purchase agreement with the Eligible Transferee for the sale and transfer of the Bonds ("**Bonds SPA**"). The Bonds SPA will bound the Eligible Transferee to similar terms and conditions as set out in the Subscription Agreement, including but not limited to the conversion price mechanism and conversion of the Bonds.

The Bonds will be privately placed to and purchased by the Subscriber. The Bonds may be converted into Sentoria Shares which are unencumbered and free from any security interests, claims (including pre-emptive rights) or liens and will be freely transferable and shall rank equally in all respects with all other existing Share(s) except that the Conversion Shares shall not be entitled to any dividends, rights and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Conversion Shares, in accordance with the provisions of the Subscription Agreement. For information purposes, pre-emptive rights mentioned above refer to the right of the existing shareholders in Sentoria to be first offered the new Sentoria Shares to be issued pursuant to the conversion of the Bonds. Please refer to Section 15 of this Circular for further details.

The Bonds which are not redeemed, purchased, converted or cancelled by the Company will be redeemed by the Company, subject to there being no Event of Default (as deliberated in Section 2.2.1 of this Circular), at 100% of their nominal value on the Maturity Date. The Company shall at least one month prior to the Maturity Date, despatch to all the Bondholders a notice of the Maturity Date, subject to the terms and conditions of the Subscription Agreement.

2.2.1 Salient terms of the Bonds

Unless otherwise stated, the terms used in this Section shall have the same meanings as those defined in the Subscription Agreement.

The salient terms of the Bonds are as follows:

Issue instrument : 1.0% Bonds due in 2027

Issue size : Up to RM150.0 million in aggregate nominal value, divided into 3 Main Tranches, wherein:

(i) Main Tranche 1 Bonds;

- (ii) Main Tranche 2 Bonds; and
- (iii) Main Tranche 3 Bonds.

The issuance of Tranche 2 Bonds and Tranche 3 Bonds shall be at the discretion of the Company in accordance with the terms and conditions of the Subscription Agreement.

For clarity, each Main Tranche shall consist a maximum of 100 sub-tranches, with a minimum sub-tranche size of RM500,000.00 each. Accordingly, for purposes of illustration, should the Company intend to raise and the Subscriber agrees to subscribe for, an entire aggregate value of RM50.0 million for a Main Tranche Bonds, the Subscriber is allowed under the Subscription Agreement to meet the aggregate value of RM50.0 million via a subscription of 1 sub-tranche of said Main Tranche Bonds.

Tenure : 36 months (3 years) from the Closing Date of the first sub-tranche of Main Tranche 1 Bonds.

Interest rate : The Bonds shall bear interest from the respective dates on which they are issued and registered in accordance with the terms and conditions as set out in the Subscription Agreement at the rate of 1.0% per annum, payable semi-annually in arrears on 30 June and 31 December in each year with the last payment of interest being made on the Maturity Date.

For the avoidance of doubt, there will be no further accrual of interest upon conversion of the Bonds. However, all interest accrued prior to the aforesaid conversion remains payable by the Company.

Method of issue : The Subscription Agreement, effective as of its date, shall constitute valid and legally binding obligations enforceable by both the Issuer and the Subscriber in accordance with its terms and conditions of the Subscription Agreement.

The Bonds will be privately placed to and subscribed by the Subscriber. No offering circular, information memorandum or prospectus will be issued by the Company for the proposed placement of the Bonds.

Bond Issue Price : In relation to each sub-tranche of the Bonds, the amount equivalent to 100% of the nominal value of the Bonds for such sub-tranche.

Issue and subscription of the sub-tranches of Main Tranche 1 Bonds : (a) In respect of the first Sub-Tranche 1 Bond, on the date falling 5 Business Days immediately after the fulfilment of the last condition precedent or such other date as the Company and the Subscriber may agree in writing, such date being the Closing Date for the first Sub-Tranche 1 Bond, in accordance with the Bonds Subscription Notice issued by the Subscriber.

Thereafter, in respect of each subsequent Sub-Tranche 1 Bonds, on or before the 5th Business Day after the Conversion Date of the immediately preceding Sub-Tranche 1 Bonds, or such other date as the Parties may agree in writing, such date being the Closing Date for such subsequent Sub-Tranche 1 Bonds, in accordance with the Bonds Subscription Notice issued by the Subscriber;

(b) Subject to there being no Event of Default (as defined below) and the Closing Price of the Shares (post completion of the Proposed Share Consolidation) being not lower than 120%⁽¹⁾⁽²⁾ of the Minimum Conversion Price on any Business Day:

(i) within 5 consecutive Business Days immediately before the first Closing Date of the 1st Sub-Tranche 1 Bonds; and

(ii) within the Relevant 30 Days Period,

the Subscriber agrees to subscribe for Bonds with a minimum principal value of RM2.50 million⁽²⁾, within 30 days from the first Closing Date of the Main Tranche 1 Bonds ("**Relevant 30 Days Period**"); and

(c) subject to there being no Event of Default and the Closing Price of the Shares (post completion of the Proposed Share Consolidation) being not lower than 120%⁽¹⁾⁽²⁾ of the Minimum Conversion Price on any Business Day:

(i) within the Relevant 60 Days Period,

the Subscriber agrees to further subscribe for Bonds with a minimum principal value of RM2.50 million⁽²⁾, within 60 days from the first Closing Date of the Main Tranche 1 Bonds ("**Relevant 60 Days Period**").

Notes:

(1) *The abovementioned rates of 120% mean that the Closing Price shall not be lower than RM0.24 (being 20% premium to the agreed MCP of RM0.20) during the aforesaid durations in order for the Subscriber to initiate the Bonds' implementation by consecutively subscribing the Bonds for an aggregate principal amount of RM5.0 million.*

(2) *The basis for the determining the 120% rate and aggregate amount of RM5.0 million above is a commercial decision agreed upon between the Company and the Subscriber after taking into consideration the commercial and financial aspects of the Parties, respectively, for the initiation of the Bonds' programme. It is the Company's intention to ensure that the Proposed RCB is financially viable and able to cover the associated costs of the Proposals.*

Options in respect of Main Tranche 2 Bonds and Main Tranche 3 Bonds

: The Company may issue an Exercise Notice at any time during the relevant Option Period (as defined hereinafter) to require the Subscriber to subscribe for Main Tranche 2 Bonds and Main Tranche 3 Bonds, as set out below:

(i) in respect of Main Tranche 2 Bonds, the Option shall be exercised by the Company during the period of 30 calendar days commencing from the Conversion Date of the last Sub-Tranche 1 Bond; and

(ii) in respect of Main Tranche 3 Bonds, the Option shall be exercised by the Company during the period of 30 calendar days commencing from the Conversion Date of the last Sub-

Tranche 2 Bond

(each, an “**Option Period**”).

Unless otherwise agreed by the Parties, if the Subscriber does not receive the Exercise Notice in respect of Main Tranche 2 Bonds or Main Tranche 3 Bonds within the respective prescribed Option Period, the Options in respect of Main Tranche 2 Bonds or Main Tranche 3 Bonds, as the case may be, shall lapse and cease to have any force or effect whatsoever and the Subscriber will have no obligation to subscribe and pay for any of the relevant Main Tranche Bonds.

Issuance of Main Tranche 2 Bonds and Main Tranche 3 Bonds

Upon receipt of the Exercise Notice from the Company in respect of Main Tranche 2 Bonds within the prescribed Option Period, and subject to satisfaction of the conditions precedent set out in the Subscription Agreement, the Subscriber shall issue a Bonds Subscription Notice within 10 Business Days from the Exercise Notice, to subscribe, and the Company shall issue, at the Bond Issue Price:

- (a) the first Sub-Tranche 2 Bonds (together with other Sub-Tranche(s) 2 Bonds, if so requested by the Subscriber in the Bonds Subscription Notice) on or before the 5th Business Day following the date of the Bonds Subscription Notice or such other date as the Parties may agree in writing, such date being the Closing Date for such Sub-Tranche(s) 2 Bonds; and
- (b) thereafter, in respect of subsequent Sub-Tranche(s) 2 Bonds, on or before the 5th Business Day after the Conversion Date in respect of the immediately preceding Sub-Tranche 2 Bonds or such other date as the Parties may agree in writing, such date being the Closing Date for such subsequent Sub-Tranche(s) 2 Bonds, in accordance with the Bonds Subscription Notice issued by the Subscriber.

Upon receipt of the Exercise Notice from the Company in respect of Main Tranche 3 Bonds within the prescribed Option Period, and subject to satisfaction of the conditions precedent set out in the Subscription Agreement, the Subscriber shall issue a Bonds Subscription Notice within 10 Business Days from the Exercise Notice, to subscribe, and the Company shall issue, at the Bond Issue Price:

- (a) the first Sub-Tranche 3 Bonds (together with other Sub-Tranche(s) 3 Bonds, if so requested by the Subscriber in the Bonds Subscription Notice) on or before the 5th Business Day following the date of the Bonds Subscription Notice or such other date as the Parties may agree in writing, such date being the Closing Date for such Sub-Tranche(s) 3 Bonds; and
- (b) thereafter, in respect of subsequent Sub-Tranche(s) 3 Bonds, on or before the 5th Business Day after the Conversion Date in respect of the immediately preceding Sub-Tranche 3 Bonds or such other date as the Parties may agree in writing, such date being the Closing Date for such subsequent Sub-Tranche(s) 3 Bonds, in accordance with the Bonds Subscription Notice issued by the Subscriber.

**Concurrent
subscription of
Sub-Tranches**

Notwithstanding any provisions in the Subscription Agreement, other than the first Sub-Tranche 1 Bond, the first Sub-Tranche 2 Bond and the first Sub-Tranche 3 Bond, in respect of each and all subsequent Sub-Tranche(s) 1 Bonds, Sub-Tranche(s) 2 Bonds and Sub-Tranche(s) 3 Bonds:

- (a) the Subscriber shall be entitled (at its election) to subscribe for one or multiple⁽¹⁾ of such subsequent sub-tranche(s) concurrently notwithstanding the last Bond comprised within the immediately preceding sub-tranche of the Bond subscribed by the Subscriber has yet to be converted, by stipulating such intention in the Bonds Subscription Notice to be issued to the Company; and
- (b) the Company shall be obliged to issue such sub-tranche(s) of the Bonds on or before the 5th Business Day on receipt of such Bonds Subscription Notice issued by the Subscriber or such other date as the Parties may agree in writing, such date being the Closing Date of such subsequent sub-tranche(s) of the Bonds.

Note:

- (1) *The Subscriber has the option to subscribe for one or multiple sub-tranche(s) concurrently depending on, amongst others, the prevailing market conditions and the Subscriber's financing capacity.*

Conversion terms : The Bonds may be converted into duly authorised, validly issued, fully-paid and unencumbered Shares, at the option of the Bondholder thereof.

The number of Shares arising from the conversion of the Bonds to which a Bondholder is entitled on conversion of the Bond shall be determined by dividing the aggregate nominal value of the Bond held by the Bondholder with the applicable Conversion Price (as defined hereinafter), in effect on the relevant Conversion Date. The applicable accrued interest thereon up to and including the Conversion Date will be payable to the Bondholder in cash on the Conversion Date.

Fractions of a Share will not be issued on conversion and no adjustment or cash payment will be made in respect thereof.

**Conversion
Period**

Any time, from and including the respective dates on which the Bonds are issued and registered in accordance with the Subscription Agreement up to the close of business (at the place where the Bond is deposited for conversion, namely, Malaysia) on the day falling 7 calendar days prior to the Maturity Date.

Conversion Price : The price at which each Share shall be issued upon conversion shall be at 80% of the average Closing Price per Share on any 3 consecutive Business Days as selected by the Bondholder during the 40 Business Days immediately preceding the relevant Conversion Date on which Shares were traded on the Main Market provided that the Conversion Price for each Share shall not be less than the MCP. If the Conversion Price for each Share calculated is less than the MCP, the Conversion Price for each Share shall be

equal to the MCP.

Conversion Date : The date on which the Conversion Notice is received by the Company via email, provided that if the Conversion Notice is received by the Company via email after 2.00 p.m. Malaysia time on such Business Day, the Conversion Date shall be the Business Day immediately after such Business Day.

Conditions precedent to the closing date of the first Sub-Tranche 1 Bonds : Notwithstanding any other provisions in the Subscription Agreement, the Subscriber shall not be obliged to subscribe and pay for the first Sub-Tranche 1 Bonds unless the following conditions precedent shall have been satisfied on or before the Fulfilment Date, or otherwise waived by the Subscriber, if capable of being waived:

- (a) on the date of the Subscription Agreement, there shall have been delivered to the Subscriber, a list setting out the names of the substantial shareholders of the Company and their respective shareholdings in the Company dated the date of the Subscription Agreement, in such form and substance reasonably satisfactory to the Subscriber, which is certified to be true and accurate by a director or company secretary of the Company;
- (b) on or before the Closing Date of the first Sub-Tranche 1 Bonds, the Shareholders' Approval shall have been obtained at a general meeting of the Company and, where such approvals are obtained subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before the Closing Date of the first Sub-Tranche 1 Bonds, they are fulfilled. In addition, such approvals shall not be amended, withdrawn, revoked, rescinded or cancelled;
- (c) on or before the Closing Date of the first Sub-Tranche 1 Bonds, all Approvals shall have been duly obtained and such Approvals shall not be amended, withdrawn, revoked, rescinded or cancelled and, where such Approvals are obtained subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before the Closing Date of the first Sub-Tranche 1 Bonds, they are fulfilled;
- (d) on or before the Closing Date of the first Sub-Tranche 1 Bonds, the Lodgement shall have been duly performed and such Lodgement shall not be amended, withdrawn, revoked, rescinded or cancelled and, where such Lodgement is subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before the Closing Date of the first Sub-Tranche 1 Bonds, they are fulfilled;
- (e) (i) all the representations, warranties, undertakings and covenants of the Company including the Warranties shall be accurate and correct in all respects at, and as if made on, the Closing Date of the Sub-Tranche 1 Bonds; and (ii) the

Company shall have performed all of its undertakings or obligations hereunder to be performed on or before the Closing Date of the first Sub-Tranche 1 Bonds;

- (f) all other necessary approvals, consents and waivers (including any governmental, regulatory and/or corporate approvals and consents), for the transactions contemplated under the Subscription Agreement (in particular but without limitation the issue by the Company and the subscription by the Subscriber of the Bonds, including any shareholders or directors' approval and other regulatory and/or corporate approvals and consents required by the Subscriber) having been obtained in form and substance satisfactory to the Subscriber (in the reasonable opinion of the Subscriber) and remaining valid and subsisting as at the Closing Date of the first Sub-Tranche 1 Bonds; and
- (g) the Proposed Share Consolidation having been duly and effectively implemented by the Company; and
- (h) there shall have been delivered to the Subscriber, each in form and substance satisfactory to the Subscriber, on the Closing Date of the first Sub-Tranche 1 Bonds:
 - (i) the following documents as listed in the Subscription Agreement:
 - (aa) annual financial reports for the financial year immediately preceding the relevant Closing Date;
 - (bb) annual financial reports in item (aa) above are dated more than 3 months preceding the relevant Closing Date, copies of the interim accounts of the Company as publicly released;
 - (cc) in respect of the Closing Date of the first Sub-Tranche 1 Bond, the announcements issued by the Company to Bursa Securities from the date of the Subscription Agreement up to the relevant Closing Date, and in respect of the Closing Date of the remaining sub-tranches, the announcements issued by the Company to Bursa Securities between the Closing Date of the immediately preceding sub-tranche up to the relevant Closing Date;
 - (dd) a list setting out the outstanding term loans and other loans of the Company as at a date not earlier than 3 calendar days before the Closing Date of the first sub-tranche of the Main Tranche 1 Bonds, the Main Tranche 2 Bonds and the Main Tranche 3 Bonds (whichever is applicable);

- (ee) a list (substantially in the form and substance reasonably satisfactory to the Subscriber) setting out the names of the substantial shareholders of the Company and their respective shareholdings in the Company dated as at each relevant Closing Date of the first sub-tranche of the Main Tranche 1 Bonds, the Main Tranche 2 Bonds and the Main Tranche 3 Bonds (whichever is applicable) and/or such other Closing Date of sub-tranche of the Bonds as and when the Subscriber may require from time to time;
- (ff) a list (substantially in the form and substance reasonably satisfactory to the Subscriber) disclosing all existing and outstanding securities convertible into securities of the same class as the new Shares arising from the conversion of the Bonds by the Subscriber securities substantially similar to the Bonds that have been issued by the Company to other persons other than the Subscriber prior to the issuance of the Bonds as at a date not earlier than 3 calendar days before each Closing Date of the first sub-tranche of the Main Tranche 1 Bonds, the Main Tranche 2 Bonds and the Main Tranche 3 Bonds (where applicable);
- (gg) a duly executed facility agreement entered into between the Company, the principal adviser/lead arranger/lead manager and the facility agent in respect of the Bonds (as subsequently amended, modified and/or supplemented);
- (hh) a duly executed trust deed entered into between the Company and the trustee constituting the Bonds issued thereunder (as subsequently amended, modified and/or supplemented);
- (ii) a duly executed securities lodgement form for the Central Securities Depository and Paying Agency Services as set out in Appendix 1 of the Central Securities Depository and Paying Agency Rules; and
- (jj) a copy of the acknowledgement receipt from the SC on the Lodgement.
- (ii) a legal opinion (substantially in the form and substance as set out in the Subscription Agreement) of a firm of legal advisers to the Company in relation to Malaysian law, as shall be acceptable to the Subscriber, dated not earlier than 7 Business Days before the Closing Date of the first Sub-Tranche 1 Bonds;

- (iii) certified true copies of: (aa) the resolutions of the directors of the Company; and (bb) the resolutions of the shareholders (all duly certified by a director or a company secretary of the Company), approving the issuance of the Bonds and the allotment and issue of the Conversion Shares in accordance with the terms of the Subscription Agreement;
- (iv) certified true copies of the Approvals (all duly certified by a director or a company secretary of the Company);
- (v) a verification certificate, dated not earlier than 7 Business Days before the Closing Date, duly signed by 2 directors or a director and the company secretary of the Company, affirming the compliance of the conditions precedent set out in the Subscription Agreement;
- (vi) such other documents, opinions and certificates required to be provided to the Subscriber under the provisions of the Subscription Agreement and/or as the Subscriber may reasonably require in relation to the Bonds issuance.

If any of the conditions precedent are not satisfied or waived by the Subscriber, if capable of being waived, on or before the Fulfilment Date in respect of the first Sub-Tranche 1 Bonds, the Subscription Agreement shall *ipso facto* cease and the Parties shall be released and discharged from their respective obligations under the Subscription Agreement except for (a) the liability of the costs and expenses of the Company or the Subscriber as set out in the Subscription Agreement; (b) the obligations of the Company to keep each indemnified person indemnified against all losses, claims, liabilities, costs, charges, expenses, actions or demands (including reasonable legal costs on a full indemnity basis) ("**Losses**") whatsoever in connection with the transactions contemplated in the Subscription Agreement; and (c) any antecedent breaches.

In the event the Company fails to fulfill the conditions precedent either for the first sub-tranche of Main Tranche 1 Bonds or subsequent sub-tranches of Main Tranche 1 Bonds, Main Tranche 2 Bonds and Main Tranche 3 Bonds, the Subscriber may terminate the Subscription Agreement pursuant to the Subscription Agreement.

Pursuant to such termination by the Subscriber, the Company shall pay:

- (a) all outstanding Bonds shall immediately become due and payable at the discretion of the Subscriber at 118%⁽¹⁾ of the principal amount of the outstanding Bonds, together with all accrued interest as set out in the Subscription Agreement ("**Default Redemption Amount**"); and

- (b) interest shall accrue on the Default Redemption Amount on a daily basis at the rate of 3.0%⁽¹⁾ per month (“**Default Interest**”) up to and including the date on which the Subscriber receives full payment of the Default Redemption Amount, together with the accrued Default Interest.

Note:

- (1) *The redemption rate of 118% and interest rate of 3.0% mentioned above are arrived at after taking into consideration, amongst others, the default redemption rates and default interest rates charged by the other relevant subscribers of similar products by other publicly listed companies in Malaysia. Kindly refer to the table in Section 2.2.2 of this Circular for precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD.*

Conditions precedent to the closings of the Main Tranche 1 Bonds, Main Tranche 2 Bonds and Main Tranche 3 Bonds (other than the first Sub-Tranche 1 Bonds)

: Notwithstanding any other provisions in the Subscription Agreement, the Subscriber shall not be obliged to subscribe and pay for any of the Main Tranche 1 Bonds, Main Tranche 2 Bonds and Main Tranche 3 Bonds (other than the first Sub-Tranche 1 Bonds) unless the following conditions shall have been satisfied on or prior to each applicable Closing Date in respect of such remaining sub-tranches or otherwise waived by the Subscriber, if capable of being waived:

- (a) the Shareholders’ Approval shall remain effective and not have been amended, withdrawn, revoked, rescinded or cancelled and, where such approvals are obtained subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before each subsequent Closing Date, they are fulfilled;
- (b) all Approvals for the transactions contemplated under the Subscription Agreement, obtained by the Company shall not have been amended, withdrawn, revoked, rescinded or cancelled on or prior to each subsequent Closing Date and, where any of such Approvals is obtained subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before each subsequent Closing Date, they are fulfilled;
- (c) the Lodgement performed by the Company shall not have been amended, withdrawn, revoked, rescinded or cancelled on or prior to each subsequent Closing Date and, where such Lodgement is subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before each subsequent Closing Date, they are fulfilled;

- (d) at each subsequent Closing Date, (i) all the representations, warranties, undertakings and covenants of the Company including the Warranties set out in the Subscription Agreement shall be accurate and correct in all respects at, and as if made on, that Closing Date; (ii) the Company shall have performed all of its undertakings or obligations hereunder to be performed on or before that Closing Date; and (iii) there shall have been delivered to the Subscriber a certificate, dated as at that Closing Date, duly signed by 2 directors or a director and the company secretary of the Company, affirming the compliance of the aforementioned;
- (e) unless waived in writing by the Subscriber, the following shall have been delivered to the Subscriber, each in form and substance satisfactory to the Subscriber, on or before that Closing Date:
 - (i) the documents listed in the Subscription Agreement; and
 - (ii) such other documents, opinions and certificates required to be provided to the Subscriber under the provisions of the Subscription Agreement and/or as the Subscriber may reasonably require.

If any of the conditions precedent above are not satisfied or waived by the Subscriber, if capable of being waived, on or before the applicable Closing Date in respect of such sub-tranche of the Bonds, the Subscriber shall have the right to (a) fix a new Closing Date in respect of such sub-tranche of the Bonds; or (b) elect not to proceed with completion of the subscription of such sub-tranche of the Bonds, or (c) terminate the Subscription Agreement, in which event, the Subscription Agreement shall *ipso facto* cease and the Parties shall be released and discharged from their respective obligations under the Subscription Agreement, except for (i) the liability of the Company for the payment of costs and expenses as set out in the Subscription Agreement; (ii) any outstanding interest (if any); (iii) the obligations of the Company to keep each indemnified person indemnified against all Losses whatsoever in connection with the transactions contemplated in the Subscription Agreement; and (iv) any antecedent breaches.

To reiterate the aforestated salient term, in the event the Company fails to fulfill the conditions precedent either for the first sub-tranche of Main Tranche 1 Bonds or subsequent sub-tranches of Main Tranche 1 Bonds, Main Tranche 2 Bonds and Main Tranche 3 Bonds, the Subscriber may terminate the Subscription Agreement pursuant to Clause 9.1 of the Subscription Agreement.

Pursuant to such termination by the Subscriber, the Company shall pay:

- (a) the Default Redemption Amount; and
- (b) the Default Interest, up to and including the date on which the Subscriber receives full payment of the Default Redemption Amount, together with the accrued Default

Interest.

Rights of the Bondholders to participate in the securities of the Company : The Company or any subsidiary (if applicable) may offer and sell any securities convertible into securities of the same class as the Issued Shares (as hereinafter defined) or securities substantially similar to the Bonds ("**Equity-linked Securities**") provided that, in respect of any proposed private placement of such Equity-linked Securities:

- (a) the Company shall, and the Company shall procure that the relevant subsidiary (if applicable) shall, offer and sell such Equity-linked Securities to the Bondholders prior to offering such Equity-linked Securities to any other person ("**Right of First Refusal**"); and
- (b) the Equity-linked Securities shall not be convertible into Issued Shares at a price which is below the Minimum Conversion Price, unless prior written consent of the Bondholders have been obtained.

For the avoidance of doubt, the term "Equity-linked Securities" shall exclude: (i) any Shares, rights issues, warrants relating to the Shares, or convertible preference shares, issued to shareholders without preference among the shareholders (but so that the exclusion of shareholders who are overseas or on other grounds approved by Bursa Securities shall be deemed not to be a preference of the other shareholders); or (ii) any new securities convertible into securities of the same class as the Issued Shares or securities substantially similar to the Bonds in respect of which the Company or any subsidiary (if applicable) is restricted from doing all of the (a) and (b) provided above by law, the Listing Requirements or any other applicable regulations. For the purposes of this subsection, "**Issued Shares**" shall mean Shares listed on the Main Market.

The Right of First Refusal is only exercisable by the Bondholders from and including the date of receipt by such Bondholders of a notice in writing from the Company setting out the details of such offer to and including the date falling 14 Business Days thereafter.

Ranking of the Bonds : The Bonds rank at least *pari passu* with all other unsecured obligations of the Company from time to time outstanding.

Events of Default : For so long as there are any Bonds outstanding, if any of the following events (each, an "**Event of Default**") occurs:

- (a) any of the approvals, consents and/or waivers required to be obtained by the Company under the Subscription Agreement are not obtained when it is required to be obtained or are amended, withdrawn, revoked, rescinded or cancelled which may impair or prejudice the ability of the Company to comply with the Subscription Agreement and terms and conditions of the Bonds ("**Conditions**");
- (b) where any of the approvals required to be obtained by the Company under the Subscription Agreement were obtained subject to any conditions which were required to be fulfilled, such conditions were not fulfilled when it is required to be

fulfilled;

- (c) there is a default in any payment by the Company in relation to the terms of payment of interest and/or principal value due in respect of the Bonds as detailed in the Subscription Agreement;
- (d) the closing price per Share remains below the MCP⁽¹⁾ for more than 10 consecutive business days;
- (e) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation (including the performance of its obligations to allot and issue Shares arising from the conversion of the Bonds as and when the Bondholders exercise its Conversion Rights in accordance with the conditions of the Subscription Agreement) contained in the Bonds and on its part to be performed or observed (other than the covenant to pay the nominal value and interest in respect of any of the Bond) and such default continues for the period of 7 business days following the service by any Bondholder on the Company of notice requiring the same to be remedied;
- (f) any other notes, debentures, bonds or other instruments of indebtedness or any other loan indebtedness (hereinafter collectively called “**Indebtedness**”) of the Company or any of its subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of its subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others given by the Company or any of its subsidiaries shall not be honoured when due and called upon, and such default results in a material adverse effect;
- (g) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved (otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation that is approved by the shareholders, as the case may be, and upon which the continuing corporation effectively assumes the entire obligations of the Company, as the case may be, under the Bonds);
- (h) a resolution is passed or an order of a court of competent jurisdiction is made that any subsidiary be wound up or dissolved (otherwise than (i) for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation (other than as described in (ii) below) the terms of which have previously been approved in writing by the Majority Bondholders⁽¹⁾, (ii) for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction with or into the Company or another subsidiary of the Company, or (iii) by way of a voluntary winding up or dissolution where there are surplus assets in such subsidiary and such surplus assets attributable to the

Company and/or any subsidiary are distributed to the Company and/or such subsidiary);

- (i) the Company or any subsidiary makes any scheme of arrangement with its creditors or where a scheme of arrangement under Section 366 of the Act (where applicable) has been instituted against the Company or any subsidiary;
- (j) an encumbrancer takes possession or a receiver, receiver and manager, judicial manager or other officer acting in a similar capacity is appointed of the whole or a material part of the assets or undertaking of the Group;
- (k) (i) the Company or any subsidiary without any lawful cause stops payment (within the meaning of any applicable bankruptcy or insolvency law) or is unable to pay its debts as and when they fall due; or (ii) the Company or any subsidiary (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraphs (g) or (h) above) ceases or through an official action of the board of directors of the Company or any subsidiary, as the case may be, threatens to cease to carry on its business, and such action has a material adverse effect on the Group;
- (l) proceedings shall have been initiated against the Company or any subsidiary under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 14 days;
- (m) the Company or any subsidiary shall initiate or consent to proceedings seeking with respect to itself adjudication of bankruptcy or insolvency, or a decree of commencement of composition or reorganisation or other similar procedures, or the appointment of an administrator or other similar official under any applicable bankruptcy, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with, its creditors, and such action has a material adverse effect on the Group;
- (n) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Company or any subsidiary, which is material in its effect upon the operations of either the Company or such subsidiary, as the case may be, and is not discharged within 14 days thereof;
- (o) the delisting of the Shares on the Main Market or a suspension of trading of such Shares on the Main Market for a period of 5 consecutive Business Days or more save for trading halts made at the request of the Company for pending corporate announcements;
- (p) the ratio of Borrowings⁽²⁾ to Net Worth⁽³⁾ exceeds 5 times;
- (q) the Net Worth is less than RM80.00 million;

- (r) for so long as there are any Bonds outstanding the Company engages in any transaction with any hedge fund operating or originating from any part of the world;
- (s) any credit facilities granted to the Company or any of its subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse effect on the Group,
- (t) an event of default shall have occurred in respect of any notes, debentures, bonds, redeemable preference shares or other similar securities, financing or credit facilities to which a Company or any subsidiary is a party;
- (u) there shall have been a delisting or an order for delisting or a threatened delisting of the Company from the Main Market; or
- (v) if there shall have been any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations, or affecting the properties, of the Company or any of its subsidiaries and which materially and adversely affects the Company or the Company and its subsidiaries, taken as a whole, to perform its obligations under the Subscription Agreement, these Conditions and the Bonds,

then any Bond may, by notice in writing ("**Default Notice**") given to the Company at the designated office by the Bondholder thereof, be declared immediately due and payable whereupon it shall become immediately due and payable at the Default Redemption Amount. The Default Interest shall accrue commencing from the business day immediately following the date of the Default Notice up to and including the date on which the Bondholder receives full payment of the Default Redemption Amount, together with accrued Default Interest.

Notes:

- (1) *Whilst the MCP serves as a floor price (minimum issue price) to protect the Company's interest in the event the Conversion Price falls below RM0.20, item (d) is to inversely protect the Subscriber's interest on the subscribed Bonds, in which the Subscriber may redeem the outstanding Bonds at the Default Redemption Amount upon the occurrence of item (d). The Board is of the view that the aforestated condition to be fair and reasonable.*
- (2) **"Majority Bond Holders"** means, the Bondholders in aggregate representing more than 50% of the total outstanding nominal value of the Bonds at any time.
- (3) **"Borrowings"** means, without duplication, at any time, as stated in the most recent audited consolidated accounts of the Company ("**Accounts**"): (i) all obligations of the Company or any of its subsidiaries for borrowed money, (ii) all obligations of such person evidenced by the Bonds, notes or other similar instruments, (iii) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such person as lessee which are capitalised in accordance with the accounting principles under which the Accounts are prepared, (v) all obligations of such person to purchase securities or other property that arise out of or in connection with the sale of the same or substantially similar securities or property, (vi) all non-contingent

obligations of such person to reimburse any bank or other person in respect of amounts paid under a letter of credit or similar instrument and (vii) all borrowings of others guaranteed by the Company or any of its subsidiary;

- (4) **“Net Worth”** means, at any time, as stated in the Accounts, the aggregate of the amounts shown in the Accounts as paid up or credited as paid up on the issued share capital of the Company and standing to the credit of retained earnings and other capital and revenue reserves and includes minority interests therein; less any amount which is attributable to any debit balance in its statement of profit and loss as shown in the Accounts to the extent not already charged against retained earnings.

Redemption Option

- : The Bonds which are not redeemed, purchased, converted or cancelled by the Company will be redeemed by the Company, subject to there being no Event of Default, at 100% of their nominal value on the Maturity Date. The Company shall at least 1 month prior to the Maturity Date, despatch to all the Bondholder(s), a notice of the Maturity Date.

Subject to there being no Event of Default, the Company may at any time and from time to time⁽¹⁾, purchase the Bonds at 115%⁽²⁾ of their nominal value, or such other amount as may be agreed between the Company and the relevant Bondholder.

Notes:

- (1) *For clarity, the Company may call for the redemption / purchase of the Bonds at 115% of their nominal value at any time after the Bonds are issued to the Bondholder subject to there being no Event of Default.*
- (2) *The purchase of the RCB at 115% of its nominal value is arrived at after taking into consideration, amongst others, the purchase rates charged by the other relevant subscribers of similar products by other publicly listed companies in Malaysia. Please refer to the table in Section 2.2.2 of this Circular for precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD.*

Notwithstanding the above, the 115% rate may be varied subject to the Parties' consensus based on, amongst others, prevailing market conditions and financial position of both Parties.

If, on presentation of any Bonds for conversion pursuant to Condition 8* of Schedule 4D of the Subscription Agreement, the Conversion Price is less than or equal to 70% of the average of the daily traded VWAP per Share for a period of 40 consecutive Business Days prior to the relevant Closing Date (as set out in the Subscription Agreement) in respect of each first sub-tranche of the respective tranches of the Bonds (**“Conversion Downside Price”**), the Company may redeem such Bonds (and only such Bonds) presented by the Bondholder to the Company for conversion in cash at an amount calculated in accordance with the formula set out below (**“Conversion Redemption Amount”**) by giving notice of the same to the relevant Bondholder.

* *Condition 8 outlines the mechanism and methods of converting the Bonds into Conversion Shares. This includes, amongst others, the Conversion Right, Conversion Period and Conversion Price (as set out above). Further details are set out in Condition 8 (Conversion), Schedule 4D of the Subscription Agreement.*

The Conversion Redemption Amount shall be calculated in accordance with the following formula:

$$R = N \times \{P + [8\% \times P \times (D/365)] + I\}$$

Where:

- “R” : The Conversion Redemption Amount
- “D” : The number of days elapsed since the relevant closing date in respect of each sub-tranche of the Bonds
- “N” : The number of Bonds presented for conversion
- “P” : The face value of each Bond presented for conversion
- “I” : The remaining unpaid interest accrued on each Bond presented for conversion

* The 8% interest pertaining to the Conversion Redemption Amount is arrived at after taking into consideration, amongst others, the interest rates charged by other relevant subscribers of similar products by other publicly listed companies in Malaysia. Please refer to the table in Section 2.2.2 of this Circular for precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD.

Based on the above, below is the illustrative computation on the Conversion Redemption Amount:

<i>Hypothetical figures / scenarios</i>		<i>RM</i>
<i>Average daily VWAP per Share for a period of 40 consecutive Business Days prior to the relevant Closing Date in respect of the first sub-tranche of the respective tranche of Bonds</i>	(A)	0.33
<i>Assuming the Conversion Price of the Bonds presented for conversion is less than or equal to 70% of (A), where –</i>	(B)	0.22
<i>(B) = RM0.22, being 66.67% of (A)</i>		
<i>Total value of outstanding Bonds</i>		5,000,000
<i>Interest amount calculated based on the interest rate of 1% per annum on the outstanding Bonds and divided by 90 days (assuming that 90 days have elapsed since the relevant closing date)</i>		12,328
$= 1 \times \{RM5,000,000 + [8\% \times RM5,000,000 \times (90/365)] + RM12,328\}$ $= 1 \times \{RM5,000,000 + [RM98,630.14] + RM12,328\}$ $= \underline{RM5,110,958.14} \text{ (being the Conversion Redemption Amount)}$		

Form and : The Bonds are issued in multiples of RM50,000.

denomination

Transferability : The Bonds are tradable and / or transferable in accordance with the terms and conditions of the Bonds.

The Bonds shall be tradable subject to the selling restrictions set out below, whereby the Bonds may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to a person to whom an offer or invitation to subscribe for the Bonds and to whom the Bonds are issued, which would fall within:-

- (a) any one of the categories of persons specified in Part 1 of Schedule 6 (or Section 229(1)(b) of the CMSA) and Part 1 of Schedule 7 (or Section 230(1)(b) of the CMSA), read together with Schedule 9 (or Section 257(3) of the CMSA) during issuance of the Bonds;
- (b) any one of the categories of persons specified in Part 1 of Schedule 6 (or Section 229(1)(b) of the CMSA), read together with Schedule 9 (or Section 257(3) of the CMSA) after the issuance of the Bonds,

and subject to the applicable law, order, regulation or official directive of the SC from time to time (including any amendments, supplementals and variation thereto).

Rating : The Bonds will not be rated.

Listing : The Bonds will not be listed on Bursa Securities.

Note: Bursa Securities had, vide its letter dated 14 March 2024, resolved to approve the listing of and quotation for up to 306,690,544 Conversion Shares pursuant to the Proposed RCB issue on the Main Market subject to conditions as set out in Section 9 of this Circular. The Conversion Shares, as and when issued, will be listed on the Main Market.

Termination : The Subscriber may, by notice in writing to the Company and copied to the facility agent and the principal adviser, terminate the Subscription Agreement at any time before the time on the relevant closing date when payment would otherwise be due in accordance with the terms and conditions of the Subscription Agreement.

Upon the notice of termination being given by the Subscriber:

- (a) all outstanding Bonds shall immediately become due and payable at the discretion of the Subscriber at the Default Redemption Amount. The Default Interest shall accrue on up to and including the date on which the Subscriber receives full payment of the Default Redemption Amount, together with the accrued Default Interest;
- (b) the Subscription Agreement shall terminate and be of no further effect save for the terms as set out in the Subscription Agreement; and
- (c) each Party shall cease to have further rights or obligations under the Subscription Agreement provided that such termination shall be without prejudice to any rights of the Subscriber which may have accrued prior to such termination.

For the avoidance of doubt, nothing herein shall affect the Bonds or the Conversion Shares already issued to the Subscriber pursuant to the Subscription Agreement and the obligations of the Company to the Subscriber in respect of such Bonds or the Conversion Shares under the Subscription Agreement or otherwise shall continue to survive termination.

Governing Law : Subscription Agreement shall be governed by and construed in accordance with the laws of Malaysia.

Further details and terms of the Bonds in relation to the Proposed RCB are set out in the Subscription Agreement that will be available for inspection as disclosed in Section 5 of Appendix II.

- (A) Notwithstanding any provisions in the Subscription Agreement, the Company shall not issue any Bonds to the Subscriber pursuant to a Bonds Subscription Notice ("**Relevant Bonds Subscription Notice**") delivered by the Subscriber in accordance with the terms of the Subscription Agreement, if as of the date of the Company's receipt of the Relevant Bonds Subscription Notice ("**Date of Receiving Relevant Bonds Subscription Notice**"), the aggregate number of Conversion Shares already issued and to be issued will exceed the Maximum Conversion Shares.

The "aggregate number of Conversion Shares already issued and to be issued" shall be the total of:

- (a) the number of Conversion Shares already issued by the Company prior to the Date of Receiving Relevant Bonds Subscription Notice;
 - (b) the number of Conversion Shares which may arise from the conversion of the Bonds already issued and remain outstanding as at the Date of Receiving Relevant Bonds Subscription Notice, computed based on the Conversion Price representing the Closing Price of the Shares on the trading day immediately preceding the Date of Receiving Relevant Bonds Subscription Notice; and
 - (c) the number of Conversion Shares which may arise from the conversion of such number of Bonds stipulated in the Relevant Bonds Subscription Notice, computed based on the Conversion Price representing the Closing Price of the Shares on the trading day immediately preceding the Date of Receiving Relevant Bonds Subscription Notice.
- (B) For the avoidance of doubt, if a situation stipulated under Section 2.2.1(A) above occurs, the Company shall notify the Subscriber by a notice in writing on the Business Day immediately following the Date of Receiving Relevant Bonds Subscription Notice, pursuant to which the Subscriber shall be entitled to take one or more of the following options:
- (i) to withdraw the Relevant Bonds Subscription Notice and the Subscription Agreement shall continue to be effective, and the Subscriber shall be entitled to deliver the Bonds Subscription Notice(s) to the Company subsequently at any time from time to time. Upon delivery of any subsequent Bonds Subscription Notice(s), the Company shall be obliged to issue the Bonds to the Subscriber in accordance with the relevant Bonds Subscription Notice in accordance with the terms of the Subscription Agreement, unless the situation stipulated in Section 2.2.1(A) above occurs again during the date of the receipt of such subsequent Bonds Subscription

Notice(s), wherein upon each of such event, the Subscriber shall again be entitled to the options set out hereunder Section 2.2.1(B);

- (ii) to demand for the immediate redemption by the Company of such amount of outstanding Bonds held by the Subscriber, pursuant to which the Company shall immediately redeem such outstanding Bonds by paying a redemption amount of 115%* of the total nominal value of such outstanding Bonds, together with any interest outstanding, within 5 Business Days from the date of the relevant demand from the Subscriber. Failure to repay such amount will incur an interest of 3%* per month on such redemption amount, to be computed from (and including) the expiry of the said 5 Business Days until the date of full repayment by the Company of such redemption amount, together with any interest incurred thereon; and/or

** The basis for the redemption amount of 115% and interest rate of 3.0% is a commercial decision agreed upon between the Company and the Subscriber. The Board is of the view that the redemption amount of 115% and the interest rate of 3.0% above are fair and reasonable.*

- (iii) to demand for the conversion by the Company of such number of outstanding Bonds held by the Subscriber in accordance with the provisions of the Subscription Agreement.

- (C) In the event that pursuant to the delivery of a Conversion Notice, the conversion of the Bonds will result in the total number of Conversion Shares arising from the conversion of such Bonds, aggregated with the total Conversion Shares already issued by the Company to the Subscriber prior to such date of conversion, to exceed the Maximum Conversion Shares, the Company shall with a written notice notify the Subscriber on the immediately next Business Day with regards to such situation, further to which the Subscriber shall be entitled to elect one or more of the following options:

- (i) to demand for the immediate redemption of such amount of outstanding Bonds by the Company, pursuant to which the Company shall immediately redeem such outstanding Bonds by paying a redemption amount of 115% of the total nominal value of such outstanding Bonds, together with any interest outstanding, within 5 Business Days from the date of the Company's written notification. Failure to repay such amount will incur an interest of 3% per month, to be computed from (and including) the expiry of the said 5 Business Days on the outstanding redemption amount, until the date of full repayment by the Company of such redemption amount, together with any interest incurred thereon; and/or
- (ii) to withdraw the Conversion Notice and to regard the Subscription Agreement as if it continues to be effective with liberty and right to deliver further Conversion Notice(s) at such time as the Subscriber deems fit. Upon delivery of any subsequent Conversion Notice(s), the Company shall be obliged to issue the Conversion Shares to the Subscriber in accordance with the terms of the Subscription Agreement, unless the situation stipulated in this Section 2.2.1(C) occurs again during the date of the receipt of such subsequent Conversion Notice, wherein upon each of such event, the Subscriber shall again be entitled to the options set out hereunder Section 2.2.1(C).

Maximum Redemption Scenario

For illustration purposes, assuming the entire Bonds has reached the Maximum Conversion Shares of 306,690,544 Shares, whereby the MCS are issued at the MCP of RM0.20, the maximum redemption amount that shall be paid by the Company for the outstanding unconverted Bonds is computed as follows:

Tranche(s)	Sub-tranches	MCP (RM)	Value of Bonds subscribed/ drawn down (RM)	Value of the Bonds converted based on the MCP (RM)	Number of Conversion Shares
<u>Converted</u>					
1	1 - 100	0.20	50,000,000	50,000,000	250,000,000
2	1 - 23	0.20	11,500,000 ⁽¹⁾	11,338,109 ⁽²⁾	56,690,544
<u>Not converted</u>					
2	24 - 100	0.20	-	-	-
3	1 - 100	0.20	-	-	-

Details	RM
Aggregate principal amount of the Bonds issued	61,500,000
Converted Bonds ⁽³⁾	61,338,109
Outstanding unconverted Bonds	161,891
Maximum redemption amount at maturity date ⁽⁴⁾	161,891
Maximum redemption amount upon early redemption ⁽⁵⁾	186,174

Notes:

- (1) Based on the issuance of sub-tranche of minimum RM500,000 each.
- (2) This value is calculated based on the MCP multiply by 56,690,544 Conversion Shares, which is capped at said amount after taking into consideration the MCS of 306,690,544 Conversion Shares.
- (3) Assuming 306,690,544 Conversion Shares are issued at RM0.20, being the MCP.
- (4) Based on the redemption rate of 100% of the principal amount of the outstanding unconverted Bonds at maturity date.
- (5) Based on the redemption rate of 115% of the principal amount of the outstanding unconverted Bonds upon early redemption by the Company.

Notwithstanding the above, the Company will not issue nor will the Subscriber subscribe further Bonds once the Maximum Conversion Shares has been reached. Hence, the redemption amount to be paid by the Company for any outstanding unconverted Bonds shall be minimal in the event the Maximum Conversion Shares has been reached. The redemption amount for the outstanding unconverted Bonds, if any, shall be funded by the Company via cash from the proceeds raised from the conversion of the last sub-tranche of Bonds, internally generated funds and/or bank borrowing, which will be determined at a later juncture.

Default Redemption Amount

For the avoidance of doubt, the Bonds are neither guaranteed nor secured. In the event of defaults, all outstanding Bonds will be immediately due and payable by the Company at the Default Redemption Amount. Further, the Default Interest shall also accrue, up to and including the date that the Bondholders receive full payment of the Default Redemption Amount, together with the accrued Default Interest.

In addition to the above, the Company will bear and pay:

- (i) all costs and expenses already incurred by the Company in connection with the preparation of the Subscription Agreement and any other related agreements and any other document relating to the issue, subscription, offer, sale and delivery of the Bonds pursuant to the terms and conditions of the Subscription Agreement;
- (ii) the fees and expenses of the Company's legal and other professional advisers (including auditors, if any) incurred in connection with the issue of the Bonds pursuant to the terms and conditions of the Subscription Agreement;
- (iii) all costs and expenses incurred in connection with the preparation, printing and authentication of the Bonds and making the initial delivery of the Bonds pursuant to the terms and conditions of the Subscription Agreement;

- (iv) an administrative fee of 5.0%* of the aggregate nominal value subscribed of each sub-tranche of the Bonds ("**Administrative Fee**") is payable to the Subscriber or such other party as nominated in writing by the Subscriber on each closing date of each sub-tranche of the Bonds.

* *The administrative fee relates specifically to the process by the Subscriber for administering each sub-tranche and will only be payable upon the subscription by the Subscriber of the respective sub-tranches.*

The fee is set at 5.0% on the aggregate principal amounts subscribed for each sub-tranche, which shall be paid to the Subscriber (or such other party as may be nominated in writing by the Subscriber) upon drawdown of the respective sub-tranche(s).

This amount is based on the commercial decision after taking into consideration, amongst others, the administrative fees charged by other relevant subscribers of similar products issued by other publicly listed companies in Malaysia for the past 5 years up to the LPD, which ranges from 5.0% to 6.0%.

The Company agrees that to facilitate this payment, the Administrative Fee payable shall be deducted by the Subscriber directly from the subscription monies payable to the Company for the subscription of each sub-tranche of the Bonds;

- (v) a cancellation fee of Singapore Dollar Thirty Thousand (SGD30,000) is payable to the Subscriber in the event that the Subscription Agreement is unilaterally terminated by the Company for any reason whatsoever prior to the Closing Date of the first Sub-Tranche 1 Bonds except in a case where the approval from Bursa Securities is not obtained prior to the Fulfilment Date resulting in the termination of the Subscription Agreement (provided that such failures are not attributable to the negligence or wilful default of the Company or its directors, employees or agents, in which event the cancellation fee shall apply). For the avoidance of doubt, the acceptance of the cancellation fee by the Subscriber is in addition to and without prejudice to all other rights or remedies available to it, including the right to claim damages which may have accrued prior to termination;
- (vi) all fees, costs and expenses incurred in connection with the continued listing or listing of the Conversion Shares on the Main Market;
- (vii) all other costs and expenses incurred in connection with the performance by the Company of its obligations under the Subscription Agreement; and
- (viii) all costs and expenses (including any applicable tax) of the Subscriber reasonably incurred, including but not limited to the fees and all expenses and applicable tax of the Subscriber's legal advisers and/or professional advisers in connection with the preparation of the Subscription Agreement and the issuance of the Bonds. The Company agrees that the Subscriber shall be entitled to deduct all costs and expenses of the Subscriber as aforesaid from the subscription monies payable to the Company for the subscription of the first sub-tranche of the Tranche 1 Bonds.

Upon termination of the Subscription Agreement, all fees, costs and expenses referred to in (i) to (viii) above shall be payable by the Company if incurred notwithstanding that:

- (a) the Subscription Agreement is terminated;
- (b) the Subscriber is released and discharged from its obligations under the Subscription Agreement for any reason whatsoever; or
- (c) the Company does not proceed with the allotment and issuance of the first sub-tranche of Tranche 1 Bonds for any reason whatsoever on or before the Fulfilment Date.

No amendment or variation of the Subscription Agreement (including the terms of the Bonds) shall be effective unless in writing and signed by or on behalf of the Company and the Subscriber.

The Proposed RCB issue is expected to raise RM50.00 million through the issuance of Tranche 1 Bonds. Further amounts of up to RM100.00 million may be raised through the issuance of Tranche 2 Bonds and Tranche 3 Bonds, at the discretion of the Company, subject to the terms and conditions as set out in the Subscription Agreement.

For the avoidance of doubt, no funds will be raised upon conversion of the Bonds into new Sentoria Shares. The Bonds will be constituted by a trust deed to be executed by the Company and the trustee of the Bonds at a later date.

2.2.2 Basis of determining the Conversion Price of the Bonds

The basis of the setting the Conversion Price and its applicable discount rates* for the Bonds is a commercial decision negotiated and agreed upon between the Company and the Subscriber after the Parties have taken into consideration their respective commercial and financial requirements, including the funding needs of the Group as illustrated in Section 4 of this Circular.

* *The Conversion Price shall be 80% of the average closing price per Share on any 3 consecutive Business Days as selected by the Bondholder during the 40 Business Days immediately preceding the relevant Conversion Date. As such, this represents a 20% discount to the average closing price as mentioned above.*

The Conversion Price for the Bonds was determined after taking into consideration:

- (i) The conversion price and applicable discount rate of other similar products issued by other public listed companies in Malaysia;
- (ii) The ability of Sentoria to have a standby facility for a period of 3 years to meet its equity requirements for its projects without the need to seek for other equity fundraisings, as and when required, which can be costly to the Company;
- (iii) The conversion of the Bonds will ease the Group's cashflow and allow the Group to deploy its resources to expand its businesses instead of repaying the subscribed Bonds in cash; and
- (iv) The discount rate provides sufficient room for facilitating the continued operation of the Bonds programme over its applicable tenure of 3 years.

For the avoidance of doubt, the Subscriber shall decide on the 3 consecutive Business Days within the 40 Business Days immediately preceding the conversion date of the Bonds.

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An analysis of other precedent issuance of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD are as follows:

Name of company	Date of announcement	Value/ size of issuance (RM)	Administrative fee payable to the subscriber	Conversion price	Conversion redemption amount	Default redemption amount	Non-default redemption amount
The Company (Sentoria Group Berhad)	18 January 2024	150.0 million	5% of the aggregate nominal value of bonds subscribed	80% of the average closing price on any 3 consecutive business days as selected by the bondholder during the 40 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the bonds to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the bonds and accrued interest of 2% per month	115% of the nominal value of the bonds
Reneuco Berhad	12 April 2023	350.0 million	5% of the aggregate nominal value of bonds subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the bondholder during the 40 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the bonds to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the bonds and accrued interest of 2% per month	115% of the nominal value of the bonds
Impiana Hotels Berhad (now known as Magma Group Berhad)	7 June 2022	150.0 million	6% of the aggregate principal amount of notes subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the notes and accrued interest of 2% per month	115% of the aggregate principal amount of the notes

Name of company	Date of announcement	Value/ size of issuance (RM)	Administrative fee payable to the subscriber	Conversion price	Conversion redemption amount	Default redemption amount	Non-default redemption amount
Priceworth International Berhad	30 April 2021	100.0 million	5% of the aggregate principal amount of notes subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the notes and accrued interest of 3% per month	115% of the aggregate principal amount of the notes
XL Holdings Berhad	1 July 2021	200.0 million	5% of the aggregate principal amount of notes subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the notes and accrued interest of 3% per month	115% of the aggregate principal amount of the notes
SMTrack Berhad	20 October 2020	120.0 million	6% of the aggregate principal amount of notes subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	115% of the aggregate principal amount of the notes and accrued interest of 3% per month	110% of the aggregate principal amount of the notes

(Source: The circulars issued by the above respective publicly listed companies as announced on Bursa Securities)

Based on the above, it is observed that:

- (i) the Administrative Fee of 5% of the aggregate principal amount subscribed, which is negotiated and accepted by the Company and the Subscriber is within the market range of 5% to 6%; and
- (ii) the Conversion Price of 80% of the average Closing Price per Share on any 3 consecutive Business Days as selected by the Bondholder during the 40 Business Days immediately preceding the relevant Conversion Date is within the market range; and
- (iii) the agreed additional interest or premium rates under the Subscription Agreement, as follows –
 - (a) the additional 8% interest in respect of the Conversion Redemption Amount;
 - (b) the 18% premium in respect of the event of redemption due to default; and
 - (c) the 15% premium in respect of redemption not due to default,are aligned with the market practice.

Premised on the above, the Board is of the opinion that the terms of the Bonds in respect of the Administrative Fee, the Conversion Price for the Bonds and the redemption amounts and interest rates are fair and reasonable.

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MCP

For the avoidance of doubt, the Conversion Price of the Bonds has yet to be determined. However, the Company and the Subscriber have agreed to set RM0.20 as the MCP after taking into consideration, amongst others, the Group's commercial and financial requirements, the theoretical adjusted prevailing market price after taking into consideration the Proposed Share Consolidation and trading history of Sentoria Shares. The MCP of RM0.20 is based on the historical theoretical adjusted minimum closing price of RM0.20, after adjustment pursuant to the Proposed Share Consolidation (the lowest closing price of Sentoria Shares for the past 2 years up to the LPD of RM0.045).

In determining the MCP, Sentoria had also considered the total amount of funds required to be channeled for the utilisations as described in Section 4 of this Circular. These funds are estimated to be approximately RM50.0 million, RM61.34 million and RM150.0 million under the Scenario 1, Scenario 2 and Scenario 3 respectively, as deliberated in Section 4 below, and would be utilised over a period of up to 3 years. In this regard, the Board considers that the MCP is set a reasonable level such that it is not detrimental to the interest of the Group and its shareholders and at the same time facilitates the continued operation of the Bonds programme over the tenure of the Proposed RCB.

For information purpose, the MCP is at a discount and premium to the following closing market prices including VWAPs of Sentoria Shares up to and including the LPD after taking into consideration of the Proposed Share Consolidation:

	Price	Theoretical adjusted price of Sentoria Shares	(Discount)/premium of the MCP to the theoretical adjusted price of Sentoria Shares	
	RM	RM	RM	%
<u>Up to the LPD</u>				
Lowest closing market price of Sentoria Shares for the last 40 days	0.0750	0.3000	(0.1000)	(50.0)
Lowest closing market price of Sentoria Shares for the last 2 years	0.0450	0.1800	0.0200	10.0
5-day VWAP	0.0700	0.2800	(0.0800)	(40.0)
1-month VWAP	0.0667	0.2668	(0.0668)	(33.4)
3-month VWAP	0.0765	0.3060	(0.1060)	(53.0)
6-month VWAP	0.0772	0.3088	(0.1088)	(54.4)
12-month VWAP	0.0716	0.2864	(0.0864)	(43.2)

For clarity, the above table only serves to illustrate the relative premium or discounts of the MCP, respectively, to the closing market prices including VWAPs of Sentoria Shares up to and including the LPD.

Notwithstanding the above, in accordance with the terms of the Subscription Agreement, the Conversion Price will be set at:

- (i) the MCP if the Conversion Price falls below the MCP; or
- (ii) 80% of the average closing price per Share on any 3 consecutive Business Days as selected by Bondholders during forty 40 Business Days immediately preceding the relevant Conversion Date.

2.2.3 Number of Conversion Shares to be issued

The number of Sentoria Shares to be issued upon conversion of the Bonds shall depend on the Conversion Price which will be determined at a later juncture provided the Conversion Price is not less than RM0.20, being the MCP.

For illustrative purpose, assuming the Bonds are converted at the illustrative Conversion Price of approximately RM0.4891⁽¹⁾ and taking into consideration of the MCS, Conversion Shares to be issued upon full conversion of the Bonds are as follows:

Tranches	Conversion Shares	RM
Tranche 1 Bonds	102,230,181	50,000,000
Tranche 2 Bonds	102,230,181	50,000,000
Tranche 3 Bonds	102,230,181	50,000,000
Total	306,690,544⁽²⁾	150,000,000

Notes:

- (1) The illustrative Conversion Price of RM0.4891 is arrived at based on the assumption that the entire RM150.0 million gross proceeds is raised and the MCS of 306,690,544 is issued.
- (2) Rounded up to the nearest digit.

For illustration purposes, assuming the Bonds are converted at RM0.20 being the MCP, the number of Sentoria Shares that may be issued under the Tranche 1, Tranche 2 and Tranche 3 are as follows:

Tranches	Conversion Shares	RM
Tranche 1 Bonds	250,000,000	50,000,000
Tranche 2 Bonds	56,690,544	11,338,109
Tranche 3 Bonds	-	-(⁽¹⁾)
Total	306,690,544⁽²⁾	61,338,109

Notes:

- (1) Pursuant to the MCS, the number of Conversion Shares allowed to be issued for Tranche 2 Bonds is 56,690,544.
- (2) No Conversion Shares shall be issued in Tranche 3 Bonds as the number of MCS has been reached.

Regardless of the Conversion Price, a maximum number of 306,690,544 Conversion Shares will be issued upon the full conversion of the Bonds (subject to corresponding adjustments in the event of stock splits, consolidation and/or re-classification of the Shares or any other number of Shares as may be approved by Bursa Securities and/or the shareholders of the Company at a general meeting).

The Proposed RCB will result in the shareholders' shareholdings in Sentoria to be proportionately diluted as a result of the increase in the number of new Sentoria Shares arising from the conversion of the Bonds.

2.2.4 Ranking of the Conversion Shares

The Conversion Shares shall, upon allotment and issuance, rank equally in all aspects with the existing Sentoria Shares, save that the Conversion Shares will not be entitled to any dividends, rights, allotments and / or other distributions that may be declared, made or paid where the entitlement date is prior to the date of allotment and issuance of the Conversion Shares.

2.2.5 Background information of the Subscriber

Triton (Registration no: T20VC0036F) is an umbrella variable capital company⁽¹⁾ incorporated in Singapore under the laws of Singapore on 26 March 2020, acting on behalf of and for the account of TCF Fund A⁽²⁾ and/or any sub-funds under Triton. Triton has its registered office at 8 Marina View, #11-05, Asia Square Tower 1, Singapore 018960.

Notes:

- (1) *A variable capital company ("VCC") is a Singapore legal entity constituted under the Variable Capital Companies Act 2018, which is a structure that can be standalone or constituted in an umbrella structure, wherein the latter enables a VCC to have multiple sub-funds, each holding a portfolio of segregated assets and liabilities.*
- (2) *TCF Fund A is a separate portfolio of Triton set up in April 2020 to which all income, earnings, profits and proceeds from investments, liabilities and expenses are kept separate from all other monies, investment, assets, liabilities and expenses of Triton and any other portfolios of Triton.*

Triton is principally involved in investment portfolios, and the investment objective of TCF Fund A in particular is to achieve medium to long term capital appreciation through investment in financial instruments that assist small and medium capitalisation, and publicly-listed companies. The investment strategy of TCF Fund A is to provide funding solutions to companies that facilitate working capital requirements, business expansion, mergers and acquisitions, reverse takeovers, management by objective, debt restructuring, as well as capital market-sourced initial public offerings, secondary placements and arbitrage trades using a combination of debt and equity securities.

As at the LPD:

- (a) 100% of the voting shares in Triton are held by its founder, Ms. Ng Geok Tin, whilst the directors of Triton are Ms. Ng Geok Tin and Mr. Ng Hwee. The profiles of the directors of Triton are as follows:
 - (i) Ms. Ng Geok Tin holds a bachelor's degree from Singapore University of Social Science in Finance. Prior to founding Triton and co-founding Titus, she was an executive director and chief investment officer of an asset manager who is a holder of capital market services licence granted by the MAS. Prior to that, she was a portfolio manager of a registered fund management company regulated by the MAS, where she managed funds in the hedge funds space, developed and implemented investment strategies and policies. Her financial experience spans across investment management, client relationship, business development, sales and trading encompassing equities, foreign exchange and financial futures in Asia, US and Europe markets.
 - (ii) Mr. Ng Hwee holds a bachelor's degree from London School of Economics and Political Science in Economics. With banking and asset management experiences of over 20 years, he previously headed New Asia Ferrell Asset Management Ltd in Hong Kong and served as Executive Director Head of Greater China with Ferrell Asset Management in Singapore. His past positions include being the Chief Investment Officer of a private equity firm in Beijing and a senior investment consultant with UBS AG in Singapore and Hong Kong. He was also a portfolio manager with Temasek Holdings and Fullerton Fund Management, and a senior economist with the MAS where he conducted topical studies and participated in policy formation.

- (b) Triton has appointed Titus Investment Management Pte. Ltd. ("**Titus**"), a capital markets services licence holder granted by the Monetary Authority of Singapore ("**MAS**") to serve as the investment manager for Triton. Titus was incorporated on 8 October 2020 in Singapore and its business address is Suite 51, 11 Beach Road, #03-01, Singapore 189675.

The directors of Titus are Ms. Ng Geok Tin, Mr. Ng Hwee, and Ms. Ong Mei Suet, Michele, whereas the sole shareholder of Titus is Mr. Ng Hwee. The profiles of Ms. Ng Geok Tin and Mr. Ng Hwee are as stipulated above, whereas the profile of Ms. Ong Mei Suet, Michele is as follows:

Ms. Ong Mei Suet, Michele, holds a bachelor's degree from Singapore Management University in Business Management. With banking and relationship management experiences of over 10 years, she was previously a portfolio manager with Nanyang Investment Management Pte Ltd who advised ultra-high net worth (UNHW) clients on asset management and family office matters. Prior to that, she set up the external asset management office and established system and processes to ensure smooth workflow for a capital markets services licence holder granted by MAS. She had started her banking career with Indonesian clients and subsequently expanded her clientele to the rest of the world with strategic partnerships with other family offices based on client needs.

(Source: Management of Triton)

2.2.6 Representations and Warranties of the Subscriber

- (a) The Subscriber represents and warrants to the Company that it has full power, authority and capacity to enter into and perform the Subscription Agreement in accordance with its terms;
- (b) The Subscriber represents that it is subscribing for the Bonds for investment purposes only and has no intention of influencing the management or exercising control over the Company; and
- (c) The Subscriber agrees that:
- (i) there will be no conversion of the Bonds by the Subscriber to transfer a controlling interest in the Company such that the Subscriber becomes controlling shareholder of the Company within the ambit of the Listing Requirements without the prior approval of the shareholders at a general meeting; and
 - (ii) collectively, or together with their Affiliate* not to hold more than 10% interest in the total number of issued share capital of the Company, at any time and from time to time without prior written approval of the Company.
- * "**Affiliate**" means with respect to any person, any other person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with that person. For the purposes of this definition, the term "control" (including the terms "controlled by" and "under common control with") as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management of that person whether through ownership of shares, voting securities or otherwise.
- (d) The Subscriber agrees that it will not enter into any negotiations, agreements or arrangements to sell, transfer or dispose any Shares arising from the conversion of the Bonds to any substantial shareholder of the Company.

As the Subscriber is subscribing the Bonds for investment purposes only, it has no intention and is not likely to hold such number of Shares at any time which may confer upon it (and any of its Affiliates, if applicable) more than 10% interest and/or result in it becoming a controlling shareholder of the Company within the ambit of the Listing Requirements. Further, prior to presenting any Bonds for conversion, the Subscriber will assess the number of Shares currently held by it (and any of its Affiliates, if applicable), to ensure that the resulting total number of Shares held (including such new Shares which may arise from the conversion of the Bonds) will not contravene paragraph (c) above.

As set out under the Subscription Agreement, the Subscriber requires the Company to provide it with a list of substantial shareholders of the Company (including their respective shareholdings) before each relevant closing date for the issue and subscription of the first sub-tranche of the Main Tranche 1 Bonds, the Main Tranche 2 Bonds, and the Main Tranche 3 Bonds respectively, or as and when the Subscriber may require from time to time. The Company is also required under the Subscription Agreement to promptly notify the Subscriber of any change or update in the list of substantial shareholders provided to the Subscriber. The Subscriber will, based on the Company's confirmation on the identities of such substantial shareholders, ensure that no Shares are sold or transferred to any such substantial shareholder of the Company in contravention with paragraph (d) above.

2.2.7 Underwriting

The Proposed RCB will not be underwritten as the Subscriber has been identified and the Subscription Agreement has been entered into on 18 January 2024.

3. PREVIOUS EQUITY FUND RAISING EXERCISES UNDERTAKEN

Save as disclosed below, the Company has not undertaken any other equity fund-raising exercise in the past 12 month preceding the date of the Announcement:

- (i) On 30 September 2022, the Company announced the Previous Private Placement which entailed new issuance of Sentoria shares up to 20% of the existing total number of issued shares in the Company.

For information, the Company had obtained the approval from the shareholders at the annual general meeting ("**AGM**") convened on 28 September 2022, authorising the Board to allot and issue new Sentoria Shares not exceeding 20% of the total number of issued Shares pursuant to Sections 75 and 76 of the Act ("**20% General Mandate**"). The said approval shall continue to be in force, unless revoked or varied by the Company at a general meeting, until the conclusion of the next AGM of the Company. The 20% General Mandate may be utilised by the Company to issue new securities until 31 December 2022, unless further extended by Bursa Securities as an additional temporary relief measure to listed issuers. Subsequently, the Company is allowed to issue up to 10% of the total number of issued Shares (excluding treasury shares) in compliance with paragraph 6.03(1) of the Listing Requirements. Details of the placement exercise are as follows:

Allotment date	Listing date	Issue price per placement share (RM)	Total number of placement shares	Proceeds raised (RM)
29 March 2023	31 March 2023	0.0600	25,000,000	1,500,000
11 May 2023	12 May 2023	0.0550	30,700,000	1,688,500
Total			55,700,000	3,188,500

The Company managed to raise RM3.19 million from the Previous Private Placement, which was completed on 12 May 2023. Details and status of utilisation of the proceeds raised from the previous placement are as follows:

Purpose	Initial allocation	Actual utilisation	Balance to be utilised	Timeframe for utilisation
Purpose	(RM'000)	(RM'000)	(RM'000)	
Working capital ⁽¹⁾	3,115	3,115	-	Within 12 months
Estimated expenses for the Previous Private Placement	73	73	-	Immediate
Total	3,188	3,188	-	

Note:

- (1) The working capital expenses included, amongst others, sales and marketing expenses, finance costs and administrative costs.

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4. UTILISATION OF PROCEEDS

The Proposed RCB comprises 3 tranches, of which Tranche 2 Bonds and Tranche 3 Bonds can be issued at the Company's option during the Option Period, subject to the terms and conditions of the Subscription Agreement. Thus, the Company will only exercise the said option if such funds are required for the purposes set out below.

For illustration purposes, the utilisation of proceeds shall be based on the following scenarios:

- Scenario 1** : Assuming only Tranche 1 Bonds are issued and raises gross proceeds of RM50.00 million pursuant to the Proposed RCB
- Scenario 2** : Assuming the Bonds are being converted at RM0.20, being the MCP, taking into consideration of the Maximum Conversion Shares and raises gross proceeds of RM61.34 million pursuant to the Proposed RCB
- Scenario 3** : Assuming all tranches of the Bonds are issued and raises gross proceeds of RM150.00 million pursuant to the Proposed RCB

The Proposed RCB is expected to raise gross proceeds of up to RM150.0 million which shall be utilized in the following manner:

Description	List of priorities	Scenario 1 RM 'million	Scenario 2 RM 'million	Scenario 3 RM 'million	Estimated utilisation timeframe⁽¹⁾
Development funding for the MBRC project ⁽²⁾	2	11.0	11.0	11.0	Within 1 year
Proposed development of warehouses ⁽³⁾	3	14.52	18.10	32.2	Within 3 years
Repayment of borrowings ⁽⁴⁾	5	-	-	50.0	Within 6 months
Working capital requirement for existing businesses ⁽⁵⁾	4	20.04	27.19	46.92	Within 2 years
Estimated expenses relating to the Proposals ⁽⁶⁾	1	4.44	5.05	9.89	Within 3 years
Total Proceeds		50.0	61.34	150.0	

Notes:

- (1) Commencing from the date of issuance of the Bonds.
- (2) The MBRC, being the third resort city planned by the Group, is located within a radius of 50 kilometres from Port Klang, Putrajaya, Cyberjaya and Kuala Lumpur International Airport. The current on-going main projects in the MBRC and details of the respective projects are set out in the table below:

As at the LPD, the details, value and cost breakdowns for the MBRC projects are as follows:

	Morib RSKU Apartment Plot L	Morib Seroja	Morib Mawar	Morib RSKU Orkid	Salak Tinggi Apartment
Details of development	1 block of 17- storey RSKU apartment with a total of 315 units	165 units of single storey terrace house	44 units of single storey terrace house	148 units of single storey terrace house	1 block of 14- storey RSKU apartment with a total of 130 units and facilities
GDV/ Contract value	RM57.8 million	RM39.4 million	RM10.5 million	RM30.2 million	RM25.2 million
GDC/ Construction cost	RM49.64 million	RM34.28 million	RM8.98 million	RM25.67 million	RM18.71 million
Sources of funds used to finance the development as at the LPD	Internal funds, progress billings and borrowings	Internal funds and progress billing	Internal funds and progress billing	Internal funds and progress billing	Internal funds and progress billing
Completion status as at the LPD	Approximately 55%	Approximately 92%	Approximately 78%	Approximately 42%	Approximately 90%
Commenceme nt date	11 September 2017	6 January 2020	6 January 2020	1 April 2021	15 March 2020
Expected date of completion	1 st quarter of 2025	2 nd quarter of 2024	2 nd quarter of 2024	4 th quarter of 2024	2 nd quarter of 2024

The Company intends to earmark approximately RM11.0 million of the proceeds raised from the Proposed RCB for the abovementioned projects. However, the breakdown of the proceeds to be utilised for each project has not been finalised at this juncture and will be based on the actual funding requirement of the respective projects at the relevant time. In this respect, the proceeds of RM11.0 million will be allocated between each project accordingly as and when required.

The Company views that the allocation and utilisation of RM11.0 million proceeds from the Proposed RCB will assist in expediting the projects' completion. However, in the event that the Company are not able to raise the proposed funds, they may face further delays for other projects that are in the pipeline under the MBRC project.

- (3) The Company intends to utilise up to RM32.2 million of the proceeds for the proposed development of one of its land banks measuring approximately 28.3 acres within the area of Bukit Gambang Resort City, Gambang, Pahang for the development of semi-detached warehouses and bungalow warehouses, tentatively named as "East Coast Logistic Park".

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As at the LPD, the following are preliminary details pertaining to the aforesaid “East Coast Logistic Park”:

- (i) The estimated GDC and GDV for the project is RM52.0 million and RM83.4 million, respectively. Further details on the breakdown as shown below:

Type of industrial buildings	No. of units	Gross Buildup (sq. ft.)	Cost per unit (RM 'million)	GDC (RM 'million)	Selling price per unit (RM 'million)	GDV (RM 'million)
Semi-detached warehouses	22	12,000	1.44	31.7	3.0	66.0
Bungalow warehouses	3	23,000	2.76	8.3	5.8	17.4
Infrastructure	-	-	-	12.0	-	-
Total	25	-	-	52.0	-	83.4

In any event, the remaining required funds for the GDC shall be funded via the Company's internal generated funds, progress billings and/or bank borrowings.

- (ii) The purpose of undertaking the project is to provide the Company with an opportunity in expanding the Group's operations and potential earnings, in complementing the Group's current main business operations, namely property development division and leisure and hospitality division.
- (iii) As at the LPD, the Company has yet to conduct any formal feasibility studies nor make any necessary appointments (e.g. contractors or external consultants) pending approval for the Proposed RCB).
- (iv) The tentative commencement date of the project is on the third quarter of 2025 and is expected to be completed within 3 years from the commencement date.
- (4) As at the LPD, the Company has a total secured borrowings of approximately RM439.0 million, all of which are current borrowings. Details of the borrowings of the Company intends to repay are as follows:

Type of borrowings/facility	Purpose of borrowings	Effective interest rate (%)	Outstanding amount as at the LPD (RM' million)	Amount the Company intends to repay (RM' million)
Term Loan	To meet Company's cash flow requirement	7.95%	6.4	6.2
Restructured borrowings under the CDRC	For working capital in leisure and hospitality division	5.0%	33.9	10.0
Restructured borrowings under CDRC	To purchase land and build waterpark	5.0%	83.3	23.0
Restructured borrowings under CDRC	For refinancing of Bukit Gambang water park	5.0%	122.1	10.8
Total			245.7	50.0

In the event the Company raised the full RM150.0 million from the Proposed RCB, the Company intends to utilise the proceeds raised of up to RM50.0 million from the Proposed RCB to partly facilitate the repayment of total outstanding borrowings of the Group.

The repayment of the borrowings is expected to result in an annual interest savings of up to approximately RM3.98 million based on the effective interest rate of the aforesaid facilities between 5.0% to 7.95% per annum.

- (5) The Company intends to utilise up to RM46.92 million of the proceeds for its working capital requirement as follows:

Description	Scenario 1 (RM 'million)	Scenario 2 (RM 'million)	Scenario 3 (RM 'million)
Completion and refurbishment of the Group's material properties, namely:			
(1) Building and infrastructure works for certain projects under the MBRC master project ^(a) ;	8.02	10.00	17.00
(2) Completion of the Morib water park ^(b) ; and	4.01	5.00	8.50
(3) Upgrading the Bukit Gambang water park and Borneo Samariang water park ^(c)	4.00	4.00	4.00
Payment of Group's operating and administrative expenses (comprising salaries, bonuses, statutory contributions and other staff benefits)	4.01	8.19	17.42
Total	20.04	27.19	46.92

Notes:

- (a) The building and infrastructure works, such as road, drainage and water reticulation relates to the completion of the project Morib Seroja, Morib Mawar and Morib RSKU Orkid.

- (b) The Morib water park is part of the MBRC master project. The water park, situated on a 22 acres of land, has a development cost (Phase 1) of approximately RM28.0 million.

As at the LPD, the Morib water park is at 50% completion rate. The Company is targeting for the water park's completion to be by 4th quarter of 2025.

- (c) The Bukit Gambang water park is part of the Bukit Gambang Resort City, an integrated resort city of approximately 727 acres located in Gambang, Pahang.

The 46 acres water themepark, which ceased operations during the COVID-19 pandemic, has re-commenced operations in the first quarter of 2023 through an outsourcing arrangement to a third-party operator, i.e. Blue Sky Leisure Sdn Bhd ("BSL"). For information, the outsourcing arrangement is for a period of 3 years commencing from 1 September 2022 and expires on 31 December 2025, in which Sentoria Themeparks and Resorts Sdn Bhd (the Company's wholly-owned subsidiary)("STAR"), is entitled to 10% of the 1st year net operating revenue ("NOR") and 12% of the 2nd year NOR and onwards, which is the gross operating revenue less all payable taxes including service tax, entertainment tax, tourism tax and any other tax payable by law in force during the term of the joint management agreement dated 11 November 2022 entered into between STAR and BSL.

The proposed upgrading works of approximately RM2.0 million would entail general refurbishment and upgrading works of the themepark.

On the other hand, the Borneo Samariang water park, a 30 acres water themepark, is part of the 500 acres Borneo Samariang Resort City development plan, located within Bandar Baru Samariang, Kuching, Sarawak.

The waterpark is still temporarily closed since last March 2020 due to the COVID-19 pandemic. The proposed upgrading works of approximately RM2.0 million would entail general upgrading works. Tentatively, the Company intends to re-commence operations of the waterpark by the last quarter of 2024 after receipt of the proceeds from the Proposed RCB.

- (6) The estimated expenses in relation to the Proposals are inclusive of professional fees, regulatory fees, administrative fee, printing and advertising costs as follows:

Estimated expenses for the Proposals	Scenario 1 (RM 'million)	Scenario 2 (RM 'million)	Scenario 3 (RM 'million)
(1) For the Proposed Share Consolidation and upon setting up the Bonds programme:			
Regulatory fees	0.18	0.18	0.19
Professional fees ^(a)	1.22	1.22	1.22
Printing, advertisement and miscellaneous	0.15	0.15	0.15
Sub-total	1.55	1.55	1.56
(2) Upon issuance /redemption /implementation of the RCB:			
Regulatory fees	0.06	0.06	0.16
Professional fees	0.33	0.36	0.67
Administration fees to the Subscriber	2.50	3.07	7.50
Sub-total	2.89	3.49	8.33
Total estimated expenses	4.44	5.04	9.89

Note:

- (a) The professional fees include the fees payable to, amongst others, the principal adviser and the solicitors for the Proposals as well as the lead arranger, facility agent and the trustee in relation to the Proposed RCB.

In the event the actual drawdown varies from the above estimated amount during the point of utilisation or the drawdown, the excess or deficit, as the case may be, will be adjusted from / to the amount earmarked for working capital.

In the event that the Group raises lower gross proceeds from the Proposed RCB as illustrated above, any shortfall of funds required for the remaining utilisation of proceeds will be funded via bank borrowings and/or internally generated funds.

For the avoidance of doubt, no proceeds will be raised from the conversion of the Bonds.

Pending utilisation of the proceeds from the Proposed RCB for the abovementioned purposes, the proceeds will be placed in deposits with a financial institution or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used as working capital for the Group.

In the event the Board decides to vary the utilisation of proceeds as allocated above, the Company will make the relevant announcement in accordance with the Listing Requirements. Further, if there is a material change to the utilisation of proceeds by 25% or more of the total proceeds raise, the Company will seek the shareholders' approval, in accordance with the Listing Requirements.

5. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

5.1 Proposed Share Consolidation

The Proposed Share Consolidation will enhance the Company's share capital structure as the consolidation of the existing Sentoria Shares will reduce the number of the Company shares available in the market. Hence, the Company shall benefit from easier management of a smaller number of Sentoria Shares and all else being equal, would be indifferent to the shareholders as the Proposed Share Consolidation will not have any impact on the market value of Sentoria Shares as disclosed in Section 2.1.2 of this Circular.

Further, as the Company currently has a large number of shares in issue and a relatively low trading price range, a small absolute movement in the share price may be significant in percentage terms. Consolidating the Company shares would lead to a reduction in the number of Sentoria Shares available in the market and should potentially reduce the volatility in the trading price for Sentoria Shares.

5.2 Proposed RCB

In the past 4 financial years, the Group has been incurring losses with LAT of RM88.63 million, RM170.19 million, RM97.12 million and RM70.72 million for the 18-months FPE 31 March 2020, FYE 31 March 2021, FYE 31 March 2022 and 18-month FPE 30 September 2023, respectively. The Company has completed the Previous Private Placement on 12 May 2023, which cumulatively raised proceeds of approximately RM3.19 million which were intended to be utilised for the purposes of working capital of the Group. As at the LPD, the entire proceeds raised have been utilised.

After due consideration of the various fund-raising options, the Board is of the view that the Proposed RCB is the most appropriate avenue of raising funds for the proposed utilisation as set out in Section 4 of this Circular based on the following rationale:

- (i) the Proposed RCB will enable Sentoria to raise funds expeditiously and cost effectively as the Company has a pre-identified investor for the Proposed RCB, which allows the Company to save costs on road shows and marketing for potential investors;
- (ii) the Proposed RCB will enable Sentoria to raise funds via the hybrid market, that is between the debt market where gearing and security or rating may be an issue, and the equity market, where current market conditions may not be conducive, as it provides flexibility to raise funds in stages when the needs for funds arise, considering that the Company has no intention to raise the entire RM150.0 million immediately;
- (iii) the Proposed RCB is considered a better alternative than other equity-fund raisings, namely another round of private placement or rights issue considering:

- (a) Private placement:

The Previous Private Placement only managed to raise RM3.19 million, which was only sufficient in meeting the Company's short-term working capital requirement.

The Company is of the view that another round of private placement would still be insufficient for the Company's proposed short and long-term plans, amongst others, the development funding of the MBRC projects which requires a minimum fund of RM11.0 million.

(b) Rights issue:

The amount to be raised from the rights issue would depend on the subscription rate of the shareholders as there is no guarantee that the existing shareholders would take up their entitlement to a rights issue. The foregoing is also dependent on identifying potential/willing underwriter(s) in order to meet the minimum subscription for a rights issue exercise.

Further, the Company opines that raising a substantial amount of funds of up to RM150.0 million at one go may not bode well with the shareholders' risk appetite as the Company will be outright looking at issuing an approximate amount of up to 625 million new rights shares (based on the rights price of RM0.24, which represents a discount of approximately 20.0% or RM0.06 to the TARP of Sentoria Shares after the Proposed Share Consolidation of RM0.30 per share), which is approximately 4.08 rights shares for each Consolidated Share (excluding treasury shares).

- (iv) the multiple tranches issuance provides Sentoria the flexibility to drawdown as and when the need for funds arises and dilution to the existing shareholders' shareholdings will occur progressively over the tenure of the Bonds as compared to immediate full dilution effect through fund raising via issuance of new Shares or other convertible instruments such as redeemable convertible preference shares.

In the event, the Company has sufficient funds after Tranche 1 or Tranche 2 and does not wish to continue with the remaining tranches of the Proposed RCB, it has the right not to proceed further with the Proposed RCB as the drawdown of Tranche 2 or Tranche 3 is at the option of the Company. Further, the Proposed RCB has an identified ready investor, namely Triton, to subscribe for the entire Bonds throughout the tenure of the Proposed RCB;

- (v) the Proposed RCB will increase the liquidity of Sentoria Shares upon conversion of the Bonds and provide opportunity for new investors to participate in the equity of Sentoria. The total number of Sentoria Shares will decrease from 622,977,991 Shares to 155,744,497 Shares after the Proposed Share Consolidation. Assuming 306,690,544 Conversion Shares which represent the MCS, are fully issued, the enlarged number of Shares will increase to 462,435,041 Sentoria Shares. The issuance of new Conversion Shares will expand the free float of the Company and consequently boost the liquidity of Sentoria Shares; and
- (vi) the Proposed RCB will improve the share capital of Sentoria upon conversion of the Bonds.

5.3 Value creation and impact of the Proposals to the Company and Shareholders

(i) **Proposed Share Consolidation**

The Proposed Share Consolidation is undertaken to improve the Company's capital structure as well as to facilitate the Proposed RCB.

As stated in Section 5.1 of this Circular, the potential dilutive effect arising from the conversion of Bonds would be mitigated or better managed through the Proposed Share Consolidation, as the consolidation of the existing Sentoria Shares will reduce the number of the Company shares available in the market. Further, consolidating the Shares would lead to a reduction in the total number of shares available in the market and could potentially reduce the volatility in the trading price for Sentoria Shares.

For the avoidance of doubt, the Proposed Share Consolidation will not affect the total market value of the Shares held by the shareholders and the Company's shareholding structure.

(ii) **Proposed RCB**

As stated in Section 4 of this Circular, the Proposed RCB is intended to raise funds for, amongst others, the development funding of the MBRC project and working capital requirement for existing businesses.

The Proposed RCB will enable the Company to tap into the equity market to raise funds without incurring additional interest cost associated with bank borrowings, thereby minimising any further cash outflow in respect of interest servicing costs and preserving the Group's cash flow and directly enhancing shareholders' value.

Further, the repayment of borrowings will also allow Sentoria to benefit from the interest savings of approximately RM3.98 million per annum. As illustrated in Section 7 of this Circular, the Proposed RCB is expected to enlarge the share capital of Sentoria and increase its shareholders' funds. The increase in the number of issued Sentoria Shares arising from the Proposed RCB may have a dilutive impact on the shareholdings of the Company's existing shareholders. It may also dilute the EPS of the Group if the earnings of the Group do not increase in tandem with the increase in the number of Sentoria Shares issued pursuant to the Proposed RCB.

Nevertheless, the Proposed RCB is expected to have a positive impact on future earnings of our Group by providing Sentoria with necessary funding to fund the development funding of the MBRC project, proposed development of warehouses, repay of its borrowings and working capital requirement for existing businesses, which is expected to preserve our Group's main source of income and to benefit from the interest savings respectively, which would then improve our Company's financial position.

5.4 Adequacy of the Proposed RCB in addressing the financial concerns of the Group

The Group has been in a loss-making position since FYE 31 March 2020 and premised on the Group's on-going efforts to improve the financial position, value creation and impact of the Proposed RCB and taking into consideration the prospects of the property development, construction and tourism industries in Malaysia (as set out in Section 6 of this Circular), the Board is of the view that the Proposed RCB is adequate to address the Group's financial requirements at this juncture.

As set out in Section 4 of this Circular, the proceeds from the Proposed RCB will be used to provide the Group with the necessary funds to funds for, amongst others, the development funding of the MBRC project and working capital requirement for existing businesses. Further, part of the proceeds to be raised from the Proposed RCB would be used to repay the Group's outstanding bank borrowings which will reduce the finance cost of the Group and preserve the cash flow for the Group's working capital requirements moving forward.

Premised on the above, the Group is of the view that the utilisation of proceeds pursuant to the Proposed RCB will improve the Group's financial performance and financial position as and when the benefit of the Proposed RCB is realised.

5.5 Steps or actions which have been taken or will be taken to improve the financial conditions of the Group

In view of the Group's continuous loss-making position for the past 4 financial years and period, The Group has undertaken or intends to undertake the following plans to improve the financial performance and strengthen the financial position:

- (i) Completed the Previous Private Placement on 12 May 2023, which utilised the RM3.19 million proceeds raised from the foregoing placement mainly for the Group's working capital. Further details are set out in Section 3 of this Circular;
- (ii) Seeking potential joint venture partner for the Group's property development division ("PDD") and leisure and hospitality division ("LHD").

As at the LPD, the Company has entered into an outsourcing agreement for the operations of the Bukit Gambang waterpark, which re-commenced its operation during the 1st quarter of 2023, for a period of 3 years.

- (iii) The Company has taken other steps to improve the financial condition such as various cost control measures which include trimming operational costs, optimisation of manpower needs and suspend any intended or budgeted capital expenditures to keep the staff and operational costs at the minimal level and conserve the cash flows of the Group; and
- (iv) The Group has been continuously seeking for opportunities to grow its construction activities via engaging in open tenders.

As at the LPD, the Group has yet to engage in any open tenders for construction works.

Barring any unforeseen circumstances, the Proposed RCB is expected to place the Group to on a better financial footing and potentially generate positive returns to the Group, and in turn be adequate to turnaround the financial condition of the Group as well as to grow and further improve the financial performance of the Group moving forward.

Moreover, the repayment of the Group's bank borrowings is expected to reduce the Group's financial cost as well as preserving the Group's cash flow moving forward.

In the long term, the Board will continue to assess the Group's funding requirements which may include the need to carry out other corporate proposals, after taking into consideration the Group's capital structure and cost of funds.

6. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF THE GROUP

6.1 Overview and outlook of the Malaysian economy

The Malaysian economic growth has demonstrated remarkable steadfastness and resilience, registering an 8.7% increase in 2022. This momentum has continued in 2023 albeit at a slower pace, recording a moderate growth of 4.2% in the first half due to sluggish global economic and trade growth. Domestic spending continues to drive the momentum, underpinned by strong economic fundamentals.

The Federal Government's revenue collection in 2024 is estimated to increase further to RM307.6 billion or 15.6% of the gross domestic product ("**GDP**") driven by higher tax collection. Tax revenue continues to be the major contributor and is expected to grow by 6.4% to RM243.6 billion, attributed to expansion economic activities, higher company profitability and better employment conditions. Meanwhile, the non-tax revenue is projected to decrease to RM64 billion mainly due to lower dividend from PETRONAS, reflecting reduced dependency on petroleum-related revenue. In addition, several measures will be implemented, which include the introduction of capital gains tax for disposal of unlisted shares by companies and implementation of e-invoicing.

The total expenditure is projected to be lower at RM393.8 billion or 19.9% of GDP, particularly attributed to the lower financial commitment resulted from the absence of 1MDB bond redemption. The operating expenditure allocation is expected to record RM303.8 billion or 15.4% of GDP, while the development expenditure allocation is projected at RM90 billion or 4.5%. The Government will also undertake the subsidy rationalisation programme in which the savings will be partly channelled to enhance the social safety net programme. Meanwhile, the Twelfth Malaysia Plan, 2021 – 2025 ("**Twelfth Plan**") programmes and projects such as the construction of highways and railways, flood mitigation programme, health facilities and educational institutions will be accelerated to bolster economic activities.

Overall, in line with anticipated higher revenue and lower expenditure, the fiscal deficit level is expected to reduce further to 4.3% of GDP and remain on the consolidation path. This, in turn will provide ample fiscal space to cushion against global uncertainties and reduce debt burden in the long term. Consequently, the primary balance is estimated to record a lower deficit of 1.8% of GDP.

(Source: 2024 Fiscal Outlook and Federal Government Revenue Estimates, Ministry of Finance)

The Malaysian economy registered a growth of 3% in the fourth quarter of 2023 compared to 3.3% in the third quarter of 2023, which was supported by continued household spending, improvement in labour market conditions, further recovery in tourism activities and sustained investment activity. On a quarter-to-quarter seasonally-adjusted basis, the economy saw a decline of 2.1%, against the previous third quarter of 2023 at 2.6%. In overall, the 2023 growth for the Malaysian economy normalised to 3.7%, after a strong growth registered in the previous year of 8.7% in 2022.

Going forward, for 2024, growth of the Malaysian economy is expected to trend higher, lifted by the recovery in exports and resilient domestic expenditure. Household spending will be supported by continued growth in employment and wages. Tourist arrivals and spending are expected to improve further. Moreover, investment activity would be supported by continued progress of multi-year projects in both the private and public sectors, and the implementation of catalytic initiatives under national master plans. Budget 2024 measures will also provide additional support to economic activity.

The growth outlook remains subject to downside risks from weaker-than-expected external demand and declines in commodity production. Meanwhile, upside risks to domestic growth emanate from greater spillover from the tech upcycle, stronger-than-expected tourism activity and faster implementation of both existing and new projects.

In line with expectations, both headline and core inflation have moderated, mainly due to lower cost pressures amid stabilising demand conditions. In 2024, inflation is expected to remain modest, with headline inflation is expected to average between 2.1% to 3.6% for the year as a whole; broadly reflecting stable cost and demand conditions. However, the inflation outlook remains highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: The BNM Quarterly Bulletin in the Fourth Quarter of 2023, Bank Negara Malaysia)

6.2 Overview and outlook of the property development industry in Malaysia

Despite a challenging global financial and economic environment, the property market stayed resilient in 2023 supported by positive performance in all sub-sectors except agriculture compared to the previous year.

In 2023, total transactions volume and value increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.

The property market has gradually increased in 2023, higher after the downturn in 2020 due to COVID-19 pandemic. A total of 399,008 transactions worth RM196.83 billion were recorded, each showing an increase of 2.5% and 9.9% respectively compared to 2022, which recorded 389,107 transactions worth RM179.07 billion. Of the total transactions, 77.7% (309,861 transactions) and 18.6% (74,405 transactions) were transfers dated in 2023 and 2022 respectively while the remaining percentage share was for prior years' transfers.

Residential sub-sector led the overall property market, with 62.8% contribution in volume. This was followed by agriculture (19.0%), commercial (10.1%), development land and others (6.1%) and industrial (2.0%). Similarly in value, residential took the lead with 51.3% share, followed by commercial (19.5%), industrial (12.2%), agriculture (9.5%) and development land and others (7.5%).

Demand continued to focus on affordable houses. The affordable price range of RM300,000 and below accounted for 52.8% of the total residential transactions, followed by RM300,001 to RM500,000 (24.9%), RM500,001 to RM1 million (17.2%) and more than RM1 million (5.1%).

In the construction segment, housing completion were promising, up by 4.0% to 74,893 units in 2023 as compared to 2022. Selangor contributed the highest number with 21,448 units and followed by Johor with 10,456 units. By type, supply continued to focus on condominiums/apartments, formed around 34.1% (25,513 units) of the national total, while two to three storey terraced houses formed another 30.5% (22,805 units). Contrarily, starts and new planned supply declined by 9.9% to 88,114 units and 9.1% to 80,964 units respectively, both led by Selangor with 19,865 units for the former and 7,593 units for the latter.

The property market is expected to continue its momentum supported by various initiatives outlined by the government under Budget 2024, among others:

- (i) Establish a high-tech industrial area in Kerian, Northern Perak to widen the electrical and electronics (E&E) cluster ecosystem in the Northern Region.
- (ii) In line with the Halal Industry Master Plan 2030, which sets a benchmark for the halal industry's contribution of 11% of GDP by 2030, 9 financial institutions are offering special programmes for halal small and medium-sized enterprises (SMEs) in halal industry an integrated platform providing access to special funds and capacity building programmes.
- (iii) A special guarantee fund of RM1 billion has been allocated to encourage reputable developers to revive identified abandoned projects.
- (iv) Allocation of RM546 million to continue the implementation of 36 *Program Perumahan Rakyat* (PPR), including a new project in Kluang, Johor and another 15 PPR projects are expected to be completed and this is expected to benefit 5,100 potential new residents.
- (v) Allocation of RM358 million will be channeled to continue for the construction of 3,500 housing units under 14 *Rumah Mesra Rakyat* (RMR) projects.
- (vi) Provide guarantees of up to RM10 billion under *Skim Jaminan Kredit Perumahan* (SJKP) which will benefit to 40,000 borrowers.
- (vii) Imposing a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia.
- (viii) Ease the requirements of Malaysia My Second Home (MM2H) programme to attract more tourists and foreign investors to Malaysia.

As the national economy is projected to remain in the range of 4.0% to 5.0% in 2024 which supported by resilient domestic growth prospects, the property market performance is expected to remain cautiously optimistic given the unpredictable external environment. The accommodative policies, continuous government support, well-executed measures outlined in Budget 2024, and the proper implementation of strategies and initiatives under the Twelfth Plan are expected to continue supporting growth in the property sector.

(Source: *Property Market Report 2023, Valuation and Property Services Department, Ministry of Finance Malaysia*)

6.3 Overview and outlook of the construction industry in Malaysia

The value of work done in the fourth quarter 2023 remained increased by 6.8% (Third quarter 2023: 9.6%) year-on-year basis, amounting to RM34.1 billion (Third quarter 2023: RM33.4 billion). Meanwhile, a quarter-on-quarter comparison showed the value of work done increased 2.1% in the fourth quarter 2023.

The increment was driven by double-digit growth in civil engineering sub-sector with a growth by 18.0% during this quarter (Third quarter 2023: 17.1%). Meanwhile, the residential buildings and special trade activities expanded at a slower pace of 2.3% (Third quarter 2023: 7.9%) and 0.3% (Third quarter 2023: 16.2%), respectively. In contrast, the non-residential buildings sub-sector experienced a decline of 1.9% (Third quarter 2023: -0.7%).

Civil engineering sub-sector remained as the main contributor to the overall value of construction work done, holding the largest share of 41.9% (RM14.3 billion), followed by non-residential buildings sub-sector with a share of 27.7% (RM9.5 billion), while residential buildings and special trade activities sub-sectors contributed 20.9% (RM7.1 billion) and 9.6% (RM3.3 billion).

In terms of locality of projects, Selangor recorded the highest value of construction work done at RM8.6 billion. Meanwhile, Wilayah Persekutuan ranked second with a value of RM4.0 billion or 11.8%. Additionally, both Sarawak and Johor recorded a work value of RM4.0 billion. These four states collectively made up RM20.6 billion or 60.3% of the total value work of done.

Private sector grew modestly 1.4% (Third quarter 2023: 8.6%) with 59.5% share of total value of work done (RM20.3 billion) and the public sector showed perform favourably by 15.9% (Third quarter 2023: 10.9%) with 40.5% share of total value of work done (RM13.8 billion).

The value of work done in non-residential buildings and residential buildings sub-sectors remained significant in the project owned by the private sector which contributed 37.3% (RM7.6 billion) and 33.1% (RM6.7 billion) respectively. Meanwhile, the project owned by the public sector was underpinned by the civil engineering sub-sector with a share of 75.1% (RM10.4 billion).

(Source: Quarterly Construction Statistics – Fourth Quarter 2023, Department of Statistics Malaysia released on 13 February 2024)

6.4 Overview and outlook of the tourism industry in Malaysia

In 2022, Malaysia welcomed a total of 10,070,764 tourists generating RM28.23 billion in tourist receipts. While these numbers are a testament to the resilience of the Malaysian tourism industry, it is vital to acknowledge that they represent a decrease of 61.4% in tourist arrivals and a drop of 67.2% in tourist receipts, as compared to the pre-COVID year 2019. Yet, these figures are not a cause for despair; instead, they exemplify the indomitable spirit of Malaysia's tourism professionals and the enduring allure of this captivating nation.

Details of the past tourist arrivals and receipts in Malaysia from 2016 until 2022 are shown in the table below:

Year	Tourist Arrivals	Tourist Receipts (RM 'million)
2016	26,757,392	82,098.2
2017	25,948,459	82,165.0
2018	25,832,354	84,135.2
2019	26,100,784	86,143.5
2020	4,332,722	12,688.2
2021	134,728	238.7
2022	10,070,964	28,228.3

The top five tourist-generating markets were Singapore, Indonesia, Thailand, India, and Brunei, highlighting the strong regional ties that continue to foster the growth of the industry. Domestic tourism, too, played a significant role in 2022, with 65.1 million domestic tourists exploring their own country, contributing RM38.88 billion in tourist expenditure.

(Source: Malaysia Tourism Key Performance Indicators 2022, Tourism Malaysia)

During 2022, the federal government of Malaysia has collected a total tourism tax of RM1.03 million. In contrast to the year 2023, the federal government is estimating a total tourism tax revenue of RM120 million (against the initial estimate of RM200 million) and further projecting a collection of RM120 million for the year 2024.

(Source: 2024 Fiscal Outlook and Federal Government Revenue Estimates, Ministry of Finance)

6.5 Prospect of the Group

The Group is involved in property development and construction (with its own construction arm) and the leisure and hospitality industry. Its existing major development and construction project are mainly located in Kuantan - Pahang, Morib – Selangor and Kuching – Sarawak. The Group is primarily a developer and main contractor of affordable homes, almost all of which are priced below RM300,000 per unit and are mainly targeted at the Bottom 40% (“**B40**”) and Middle 40% (“**M40**”) households. On the leisure and hospitality side, the Group’s major facility is the Bukit Gambang Resort City, the integrated resort city of approximately 727 acres located in Gambang, Pahang.

Malaysia’s economic growth is expected to be supported by domestic demand amid improving employment and income as well as implementation of multi-year projects. Tourist arrivals are expected to continue rising which would support tourism related activities. This provided solid support to the GDP to ensure that Malaysia’s growth momentum would continue in 2024.

However, the outlook for the property and construction sector has remained challenging with the volatile material prices. The Group will undertake necessary prudent measures to mitigate the impact in order to improve the Group’s financial performance moving forward.

The PDD will continue to be the Group’s main focus, which is currently backed with a total outstanding order book and unbilled sales of approximately RM157 million as of 30 September 2023 from its on-going projects in Kuantan, Morib and Kuching.

The Group’s LHD is expected to continue to remain challenging in the near term. It is envisaged that it would require more time before the operation could normalise pre-COVID-19 pandemic. The Group anticipates that the better outlook for Malaysian tourism could spur some positive impacts to its leisure and hospitality businesses for the remaining of 2024.

The Group’s development of affordable homes is in line with the Malaysian Government’s thrust to encourage ownership of affordable houses by the B40 and M40 households. The Group will continue to focus on residential products priced below RM300,000 and at the same time, collaborate with strategic partners to enhance and expand its design and build projects.

(Source: Management of Sentoria)

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7. EFFECTS OF THE PROPOSALS

The Proposed Share Consolidation will not have any effect on the issued share capital, NA and gearing, earnings and EPS of the Company.

The Proposed RCB issue is expected to raise up to RM50.00 million through the issuance of Tranche 1 Bonds. Further amount of up to RM100.00 million may be raised through the issuance of Tranche 2 Bonds and Tranche 3 Bonds at the Company's discretion, subject to the terms and conditions as set out in the Subscription Agreement.

As at the date of this Circular, the Conversion Price for the Bonds has yet to be determined. It is thus not possible, as at the date of this Circular, to ascertain the effects of the Proposed RCB until the Bonds have been issued, converted and / or otherwise redeemed.

For illustration purposes, the pro forma effects of the Proposals shall be based on the following scenarios:

- Scenario 1** : Assuming only Tranche 1 Bonds are issued and raises gross proceeds of RM50.00 million pursuant to the Proposed RCB.
- Scenario 2** : Assuming the Bonds are being converted at RM0.20 being the MCP, taking into consideration of the Maximum Conversion Shares and raises gross proceeds of RM61.34 million pursuant to the Proposed RCB.
- Scenario 3** : Assuming all tranches of the Bonds are issued and raises gross proceeds of RM150.00 million pursuant to the Proposed RCB.

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7.1 Issued share capital

The pro forma effects of the Proposed Share Consolidation and Proposed RCB on the Group's issued share capital are as follows: -

	Scenario 1		Scenario 2		Scenario 3	
	No. of Shares	RM	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	622,977,991	164,966,879	622,977,991	164,966,879	622,977,991	164,966,879
After the Proposed Share Consolidation ⁽¹⁾	155,744,497	164,966,879	155,744,497	164,966,879	155,744,497	164,966,879
To be issued pursuant to the Bonds conversion	250,000,000	50,000,000 ⁽²⁾⁽³⁾	306,690,544	61,338,109 ⁽²⁾⁽³⁾	306,690,544	150,000,000 ⁽³⁾⁽⁴⁾
Enlarged issued share capital	405,744,497	214,966,879	462,435,041	226,304,988	462,435,041	314,966,879

Notes:

- (1) Proposed share consolidation of every 4 existing Sentoria Shares into 1 Consolidated Share.
- (2) Assuming conversion of the Bonds at the MCP of RM0.20.
- (3) On conversion of the Bonds at maturity, the liability component carried at the amortised cost-effective interest method for Scenarios 1, 2 and 3 of RM1.45 million, RM1.78 million and RM4.35 million, respectively, together with the equity component of RM48.55 million, RM59.56 million and RM145.65 million, respectively would be derecognised and recognised in equity as issued share capital.
- (4) Assuming conversion the Bonds at the illustrative Conversion Price of approximately RM0.4891.

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7.2 NA, NA per Share and gearing

Based on the latest audited financial statements of the Group for the 18-month FPE 30 September 2023, the pro forma effects of the Proposed Share Consolidation and Proposed RCB on the NA per Share and gearing of the Group are set out as follows:

Scenario 1

		Pro forma (I)	Pro forma (II)	Pro forma (III)
	Audited as at 30 September 2023	After Proposed Share Consolidation	After (I) and issuance of Tranche 1 Bonds ⁽¹⁾	After (II) and full conversion of Tranche 1 Bonds
	RM '000	RM '000	RM '000	RM '000
Share capital	164,967	164,967	164,967	214,967 ⁽³⁾
Treasury shares	(5,962)	(5,962)	(5,962)	(5,962)
Revaluation reserves	96,171	96,171	96,171	96,171
Warrant reserves	51,467	51,467	51,467	51,467
Estimated equity component of the Bonds	-	-	48,551 ⁽²⁾	-
Accumulated losses	(165,223)	(165,223)	(165,223)	(169,663) ⁽⁴⁾
Non-controlling interest	(19,031)	(19,031)	(19,031)	(19,031)
Total equity	122,389	122,389	170,939	167,949
Number of Shares in issue (excluding treasury shares) ('000)	613,381	153,345	153,345	396,148
NA per Share (RM)	0.20	0.80	1.11	0.42
Total borrowings (RM) ('000)	430,848	430,848	430,848	430,848
Gearing ratio (times)	3.52	3.52	2.52	2.57

Notes:

- (1) For illustration purposes only, assuming the Bondholder(s) converts the Bonds at MCP of RM0.20.
- (2) Being the estimated equity component of the Bonds of RM48.55 million based on Malaysian Financial Reporting Standards ("MFRS") 132. The Bonds consist of 2 components with regard to the recognition in the financial statements which are, as equity and as liability. The liability component of the Bonds is the present value of the future cash flows (interest payments), calculated by discounting the future cash flows of the Bonds at the interest rate. The equity component of the Bonds is the difference between the total proceeds received from the Bonds and the liability component.
- (3) On conversion of the Bonds at maturity, the liability component carried at the amortised cost-effective interest method of RM1.45 million together with the equity component of RM48.55 million would be derecognised and recognised in equity as issued share capital.
- (4) After deducting the estimated expenses in relation to the Proposals of RM4.44 million as set in Section 4 of this Circular.

Scenario 2

		Pro forma (I)	Pro forma (II)	Pro forma (III)
	Audited as at 30 September 2023	After Proposed Share Consolidation	After (I) and issuance of Tranche 1 and 2 Bonds ⁽¹⁾	After (II) and conversion of Tranche 1 and 2 Bonds
	RM '000	RM '000	RM '000	RM '000
Share capital	164,967	164,967	164,967	226,305 ⁽³⁾
Treasury shares	(5,962)	(5,962)	(5,962)	(5,962)
Revaluation reserves	96,171	96,171	96,171	96,171
Warrant reserves	51,467	51,467	51,467	51,467
Estimated equity component of the Bonds	-	-	59,560 ⁽²⁾	-
Accumulated losses	(165,223)	(165,223)	(165,223)	(170,273) ⁽⁴⁾
Non-controlling interest	(19,031)	(19,031)	(19,031)	(19,031)
Total equity	122,389	122,389	181,949	178,677
Number of Shares in issue (excluding treasury shares) ('000)	613,381	153,345	153,345	462,435
NA per Share (RM)	0.20	0.80	1.19	0.39
Total borrowings (RM) ('000)	430,848	430,848	430,848	430,848
Gearing ratio (times)	3.52	3.52	2.37	2.41

Notes:

- (1) For illustration purposes only, assuming the Bondholder(s) converts the Bonds at MCP of RM0.20.
- (2) Being the estimated equity component of the Bonds of RM59.56 million based on MFRS 132. The Bonds consist of 2 components with regard to the recognition in the financial statements which are, as equity and as liability. The liability component of the Bonds is the present value of the future cash flows (interest payments), calculated by discounting the future cash flows of the Bonds at the interest rate. The equity component of the Bonds is the difference between the total proceeds received from the Bonds and the liability component.
- (3) On conversion of the Bonds at maturity, the liability component carried at the amortised cost-effective interest method of RM1.78 million together with the equity component of RM59.56 million would be derecognised and recognised in equity as issued share capital.
- (4) After deducting the estimated expenses in relation to the Proposals of RM5.05 million as set in Section 4 of this Circular.

Scenario 3

		Pro forma (I)	Pro forma (II)	Pro forma (III)
	Audited as at 30 September 2023	After Proposed Share Consolidation	After (I) and issuance of Tranche 1, 2 and 3 Bonds ⁽¹⁾	After (II) and full conversion of Tranche 1, 2 and 3 Bonds
	RM '000	RM '000	RM '000	RM '000
Share capital	164,967	164,967	164,967	314,967 ⁽³⁾
Treasury shares	(5,962)	(5,962)	(5,962)	(5,962)
Revaluation reserves	96,171	96,171	96,171	96,171
Warrant reserves	51,467	51,467	51,467	51,467
Estimated equity component of the Bonds	-	-	145,653 ⁽²⁾	-
Accumulated losses	(165,223)	(165,223)	(165,223)	(175,113) ⁽⁴⁾
Non-controlling interest	(19,031)	(19,031)	(19,031)	(19,031)
Total equity	122,389	122,389	268,042	262,499
Number of Shares in issue (excluding treasury shares) ('000)	613,381	153,345	153,345	462,435
NA per Share (RM)	0.20	0.80	1.75	0.57
Total borrowings (RM) ('000)	430,848	430,848	430,848	380,848 ⁽⁵⁾
Gearing ratio (times)	3.52	3.52	1.61	1.45

Notes:

- (1) For illustration purposes only, assuming the Bondholder(s) converts the Bonds at illustrative Conversion Price of approximately RM0.4891.
- (2) Being the estimated equity component of the Bonds of RM145.65 million based on MFRS 132. The Bonds consist of 2 components with regard to the recognition in the financial statements which are, as equity and as liability. The liability component of the Bonds is the present value of the future cash flows (interest payments), calculated by discounting the future cash flows of the Bonds at the interest rate. The equity component of the Bonds is the difference between the total proceeds received from the Bonds and the liability component.
- (3) On conversion of the Bonds at maturity, the liability component carried at the amortised cost-effective interest method of RM4.35 million together with the equity component of RM145.65 million would be derecognised and recognised in equity as issued share capital.
- (4) After deducting the estimated expenses in relation to the Proposals of RM9.88 million as set in Section 4 of this Circular.
- (5) After repayment of borrowings in the amount of RM50.0 million.

7.3 Substantial shareholders' shareholdings

For illustration purposes, the pro forma effects of the Proposed Share Consolidation and Proposed RCB on the shareholdings of the substantial shareholders of Sentoria are as follows:

Scenario 1

Name	As at the LPD				After Proposed Share Consolidation				After full conversion of Tranche 1 Bonds			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Sentoria Capital Sdn Bhd	219,560,428	35.80	-	-	54,890,107	35.80	-	-	54,890,107	13.61	-	-
Dato' Chan Kong San	-	-	219,560,428 ⁽⁴⁾	35.80	-	-	54,890,107	35.80	-	-	54,890,107	13.61
Dato' Gan Kim Leong	-	-	219,627,268 ⁽⁵⁾	35.81	-	-	54,906,817	35.81	-	-	54,906,817	13.61
State Secretary, Pahang	87,666,024	14.29	-	-	21,916,506	14.29	-	-	21,916,506	5.43	-	-

Notes:

- (1) Based on 613,381,091 Sentoria Shares in issue (excluding treasury shares) as at the LPD.
- (2) Based on 153,345,272 Sentoria Shares (excluding treasury shares) after the Proposed Share Consolidation.
- (3) Based on 403,345,272 Sentoria Shares (excluding treasury shares) after taking into consideration the 250,000,000 Sentoria Shares issued pursuant to the full conversion of Tranche 1 Bonds.
- (4) Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd and Base Rock Sdn Bhd pursuant to Section 8 of the Act.

Scenario 2

Name	As at the LPD				After the Proposed Share Consolidation				After conversion of Tranche 1 and 2 Bonds			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Sentoria Capital Sdn Bhd	219,560,428	35.80	-	-	54,890,107	35.80	-	-	54,890,107	11.93	-	-
Dato' Chan Kong San	-	-	219,560,428 ⁽⁴⁾	35.80	-	-	54,890,107	35.80	-	-	54,890,107	11.93
Dato' Gan Kim Leong	-	-	219,627,268 ⁽⁵⁾	35.81	-	-	54,906,817	35.81	-	-	54,906,817	11.94
State Secretary, Pahang	87,666,024	14.29	-	-	21,916,506	14.29	-	-	21,916,506	4.76	-	-

Notes:

- (1) Based on 613,381,091 Sentoria Shares in issue (excluding treasury shares) as at the LPD.
- (2) Based on 153,345,272 Sentoria Shares (excluding treasury shares) after the Proposed Share Consolidation.
- (3) Based on 460,035,816 Sentoria Shares (excluding treasury shares) after taking into consideration the 306,690,544 Sentoria Shares issued pursuant to the conversion of Tranche 1 and 2 Bonds.
- (4) Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd and Base Rock Sdn Bhd pursuant to Section 8 of the Act.

Scenario 3

Name	As at the LPD				After the Proposed Share Consolidation				After full conversion of Tranche 1, 2 and 3 Bonds			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Sentoria Capital Sdn Bhd	219,560,428	35.80	-	-	54,890,107	35.80	-	-	54,890,107	11.93	-	-
Dato' Chan Kong San	-	-	219,560,428 ⁽⁴⁾	35.80	-	-	54,890,107	35.80	-	-	54,890,107	11.93
Dato' Gan Kim Leong	-	-	219,627,268 ⁽⁵⁾	35.81	-	-	54,906,817	35.81	-	-	54,906,817	11.94
State Secretary, Pahang	87,666,024	14.29	-	-	21,916,506	14.29	-	-	21,916,506	4.76	-	-

Notes:

- (1) Based on 613,381,091 Sentoria Shares in issue (excluding treasury shares) as at the LPD.
- (2) Based on 153,345,272 Sentoria Shares (excluding treasury shares) after the Proposed Share Consolidation.
- (3) Based on 460,035,816 Sentoria Shares (excluding treasury shares) after taking into consideration the 306,690,544 Sentoria Shares issued pursuant to the full conversion of Tranche 1, 2 and 3 Bonds.
- (4) Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd and Base Rock Sdn Bhd pursuant to Section 8 of the Act.

It is expected that there will be no changes in the Company's major shareholders pursuant to the Proposed RCB as there will be no conversion of the Bonds by the Subscriber to transfer a controlling interest in the Company such that the Subscriber becomes controlling shareholder of the Company without the prior approval of the Company's shareholders, nor to hold more than 10% interest in the total number of issued shares of the Company, at any time and from time to time, without the Company's prior approval. In addition, the Conversion Shares are expected to be sold down via the open market on a progressive basis, in tandem with the progressive subscription and conversion of the Bonds.

7.4 Pro forma effects/impact on the public shareholding spread

For illustrative purposes, the pro forma public shareholding spread under Scenarios 1, 2 and 3 is as follows:

(A) Assuming no disposal of Conversion Shares by the Subscriber in the open market:

	Applicable under Scenarios 1, 2 and 3					
	As at the LPD		After the Proposed Share Consolidation		After conversion of the Bonds	
	Effective no. of Shares	%	Effective no. of Shares	%	Effective no. of Shares	%
Issued share capital (excluding treasury shares)	613,381,091	100.00	153,345,272	100.00	170,345,272	100.00
Less (-):						
<u>Director of Sentoria:</u>						
Datin Sri Lim Mooi Lang ⁽¹⁾	5,000,000	0.82	1,250,000	0.82	1,250,000	0.73
<u>Substantial shareholders:</u>						
Sentoria Capital Sdn Bhd	219,560,428	35.80	54,890,107	35.80	54,890,107	32.22
Dato' Chan Kong San ⁽²⁾	-	-	-	-	-	-
Dato' Gan Kim Leong ⁽³⁾	66,840	0.01	16,710	0.01	16,710	0.01
State Secretary, Pahang	87,666,024	14.29	21,916,506	14.29	21,916,506	12.87
Subscriber ⁽⁴⁾	-	-	-	-	17,000,000	9.98
<u>Shareholders holding less than 100 shares</u>	3,350	-*	837	-*	837	-*
Public shareholdings	301,084,449	49.09	75,271,112	49.09	75,271,112	44.19

* Negligible

Notes:

- (1) *Inclusive of her indirect interest by virtue of her deemed interest in Shares held by her spouse and children pursuant to Section 59 (11)(c) of the Act.*
- (2) *He is deemed as a substantial shareholder of Sentoria by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Act. Dato' Chan also sits on the Board as one of its Joint Managing Directors.*
- (3) *He is deemed as a substantial shareholder of Sentoria by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Act. The disclosed number of 66,840 shares is his indirect interest by virtue of his interest in Base Rock Sdn Bhd pursuant to Section 8 of the Act. Dato' Gan also sits on the Board of Sentoria as one of its Joint Managing Directors.*
- (4) *The Subscriber has undertaken that –*
 - (i) *there will be no conversion of the Bonds by the Subscriber to transfer a controlling interest in the Company such that the Subscriber becomes controlling shareholder of the Company within the ambit of the Listing Requirements without the prior approval of the Shareholders at a general meeting; and*
 - (ii) *collectively, or together with their Affiliate not to hold more than 10% interest in the total number of issued share capital of the Company, at any time and from time to time without prior written approval of the Company.*

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(B) Assuming disposal of all Conversion Shares by the Subscriber in the open market:

	As at the LPD		After the Proposed Share Consolidation		Applicable under Scenario 1 After conversion of the Bonds		Applicable under Scenarios 2 and 3 After conversion of the Bonds	
	Effective no. of Shares	%	Effective no. of Shares	%	Effective no. of Shares	%	Effective no. of Shares	%
Issued share capital <i>(excluding treasury shares)</i>	613,381,091	100.00	153,345,272	100.00	403,345,272	100.00	460,035,816	100.00
Less (-):								
<u>Director of Sentoria</u>								
Datin Sri Lim Mooi Lang ⁽¹⁾	5,000,000	0.82	1,250,000	0.82	1,250,000	0.31	1,250,000	0.27
<u>Substantial shareholders:</u>								
Sentoria Capital Sdn Bhd	219,560,428	35.80	54,890,107	35.80	54,890,107	13.61	54,890,107	11.93
Dato' Chan Kong San ⁽²⁾	-	-	-	-	-	-	-	-
Dato' Gan Kim Leong ⁽³⁾	66,840	0.01	16,710	0.01	16,710	-*	16,710	-*
State Secretary, Pahang	87,666,024	14.29	21,916,506	14.29	21,916,506	5.43	21,916,506	4.76
Subscriber ⁽⁴⁾	-	-	-	-	-	-	-	-
<u>Shareholders holding less than 100 shares</u>	3,350	-*	837	-*	837	-*	837	-*
Public shareholdings	301,084,449	49.09	75,271,112	49.09	325,271,112	80.64	381,961,656	83.03

* Negligible

Notes:

- (1) *Inclusive of her indirect interest by virtue of her deemed interest in Shares held by her spouse and children pursuant to Section 59 (11)(c) of the Act.*
- (2) *He is deemed as a substantial shareholder of Sentoria by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Act. Dato' Chan also sits on the Board as one of its Joint Managing Directors.*
- (3) *He is deemed as a substantial shareholder of Sentoria by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Act. The disclosed number of 66,840 shares is his indirect interest by virtue of his interest in Base Rock Sdn Bhd pursuant to Section 8 of the Act. Dato' Gan also sits on the Board of Sentoria as one of its Joint Managing Directors.*
- (4) *The Subscriber has undertaken that –*
 - (i) *there will be no conversion of the Bonds by the Subscriber to transfer a controlling interest in the Company such that the Subscriber becomes controlling shareholder of the Company within the ambit of the Listing Requirements without the prior approval of the Shareholders at a general meeting; and*
 - (ii) *collectively, or together with their Affiliate not to hold more than 10% interest in the total number of issued share capital of the Company, at any time and from time to time without prior written approval of the Company.*

Notwithstanding to the disclosures above, the Board will endeavour to ensure that the Company complies with the public shareholding spread requirement under the Listing Requirements throughout the tenure of the Proposed RCB.

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7.5 Earnings and EPS

The Proposals are not expected to have a material effect on the earnings of the Group for the FYE 30 September 2024.

However, pursuant to the Proposed Share Consolidation and all things being equal, there will be an increase in the Group's EPS corresponding to the reduced number of Sentoria Shares in issue. The Conversion Shares to be issued pursuant to the Proposed RCB will result in an immediate dilution of the EPS of the Group due to the increased number of Sentoria Share in issue.

7.6 Convertible securities

Save for the 205,867,236 outstanding Warrants B, the Company does not have any other outstanding convertible securities as at the LPD.

The Proposed Share Consolidation will give rise to adjustments to the exercise price and number of outstanding Warrants B held by Warrant B holders pursuant to the Deed Poll B. Such adjustments will only be finalised on the Entitlement Date and will be effective on the next market day after the said Entitlement Date. The details of such adjustments shall be notified to the holders of the Warrant B in accordance with the provisions of Deed Poll B.

The adjustments to the exercise price and number of outstanding Warrants B as are set out in Section 2.1.1 of this Circular.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Sentoria Shares as traded on the Main Market for the past 12 months from March 2023 to February 2024 are as follows:

	<u>Lowest</u>	<u>Highest</u>
	RM	RM
<u>2024</u>		
February	0.040	0.070
January	0.045	0.095
<u>2023</u>		
December	0.085	0.110
November	0.065	0.090
October	0.065	0.085
September	0.055	0.085
August	0.050	0.065
July	0.055	0.070
June	0.050	0.065
May	0.040	0.065
April	0.055	0.070
March	0.060	0.075
Last transacted market price on 17 January 2024, being the last trading day preceding the announcement of the Proposals (RM)		0.075
Last transacted market price as at the LPD (RM)		0.065

(Source: Bloomberg)

9. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the:
 - (a) Proposed Share Consolidation; and
 - (b) listing of and quotation for the Conversion Shares pursuant to the Proposed RCB on the Main Market.

The approval of Bursa Securities was obtained vide its letter dated 14 March 2024 and is subject to the following conditions:

No.	Conditions	Status of Compliance
1.	Sentoria and Mercury Securities to ensure there are no circumstances or facts which have the effect of preventing or prohibiting the implementation of the Proposals including any order, injunction or any other directive by any court of law;	To be complied
2.	Sentoria and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
3.	Sentoria or Mercury Securities to furnish Bursa Securities with the certified true copy of the resolutions passed by the shareholders at the EGM approving the Proposals;	To be complied
4.	Sentoria and Mercury Securities to inform Bursa Securities upon completion of the Proposals;	To be complied
5.	Sentoria and Mercury Securities 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
6.	Mercury Securities is required to make the relevant announcements relating to the Proposed Share Consolidation pursuant to Paragraphs 6.56(2)(ii) and (iii) and Paragraph 13.20(2) of the Listing Requirements.	To be complied

- (ii) Sentoria's shareholders at the forthcoming EGM; and
- (iii) any other relevant authorities or parties, if required.

The Proposed RCB is conditional upon the Proposed Share Consolidation but not vice versa. The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.

For information, the Proposed Share Consolidation is a "**Specified Consolidation**" pursuant to paragraph 13.14(1)(a)(1) of the Listing Requirements, where it is not conditional upon any other corporate proposal, including the Proposed RCB.

10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

The Board confirms that, save for the Proposals, being the subject matter of this Circular, there is no other corporate exercise/scheme which has been announced by the Company on Bursa Securities but pending completion as at the date of this Circular.

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

None of the Directors, major shareholders, chief executive of Sentoria and/or persons connected with them has any interest, whether direct or indirect, in the Proposals.

12. BOARD'S STATEMENT / RECOMMENDATION

The Board, after having considered all aspects of the Proposals, including but not limited to the rationale and financial effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

Accordingly, the Board recommends that the shareholders to vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

13. TENTATIVE TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposed Share Consolidation is expected to be completed by 2nd quarter of 2024. Accordingly, the first sub-tranche of Tranche 1 Bonds is estimated to be available for issuance by the 2nd quarter of 2024 and the Proposed RCB is expected to be fully issued within 3 years from issuance of the first sub-tranche of Tranche 1 Bonds.

14. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to be conducted virtually at the Broadcast Venue at BO1-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Thursday, 25 April 2024 at 4:00 p.m., for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If the shareholders are unable to attend virtually, participate and vote at the EGM, the shareholders who appoint proxy may deposit the duly executed Form of Proxy in hard copy form or by electronic means before 4.00 p.m. on Tuesday, 23 April 2024. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited to Poll Administrator of Sentoria Group Berhad at No. 6-2, Level 2, Plaza Crystalville II, No. 6, Jalan 22B/70A, Desa Sri Hartamas, 50480 W.P. Kuala Lumpur, Malaysia, and in the case of electronic appointment, the Form of Proxy must be electronically lodged to the Company, by emailing to investor@sentoria.com.my or e-registered at bit.ly/SentoriaEGM_Proxy. The lodging of the Form of Proxy will not preclude you from participating and voting remotely at the EGM should you subsequently wish to do so.

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15. IMPLICATIONS FOR VOTING IN FAVOUR OF THE PROPOSED RCB

Section 85(1) of the Act provides that:

“Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.”

Article 68 of the Constitution states that:

“Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or convertible Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or convertible Securities offered, the Directors may dispose of those Shares or convertible Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new Shares or convertible Securities which (by reason of the ratio which the new Shares or convertible Securities bear to Shares or convertible Securities held by persons entitled to an offer of new Shares or convertible Securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.”

Section 85(1) of the Act, when read together with Article 68 of the Constitution, would be construed to mean that all new shares or other convertible securities of the Company shall, before they are issued, be first offered to the existing shareholders in proportion, as nearly as the circumstances admit, to the number of existing shares or securities to which the shareholders are entitled (“**Pre-Emptive Rights**”).

Accordingly, if the shareholders vote in favour of the proposed resolutions pertaining to the Proposed RCB to be tabled at the forthcoming EGM, the shareholders will be waiving their Pre-Emptive Rights and such proposed resolutions, if passed, would be tantamount to them agreeing to waive their Pre-Emptive Rights in respect of the allotment and issuance of the Conversion Shares pursuant to the Proposed RCB, which will result in a dilution to the shareholding in the Company.

16. FURTHER INFORMATION

Please refer to the appendices of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
SENTORIA GROUP BERHAD

DATUK DR. RAS ADIBA BINTI MOHD RADZI
Independent Non-Executive Chairman

HISTORICAL FINANCIAL INFORMATION OF SENTORIA GROUP

The summary of the historical financial information of the Group for the audited 18-months FPE 31 March 2020, FYE 31 March 2021, FYE 31 March 2022 and 18-months FPE 30 September 2023 together with the unaudited 3-months FPE 31 December 2023, as well as the commentaries are as follows:

	Audited			Unaudited	
	18-months FPE 31 March 2020 ⁽¹⁾	FYE 31 March 2021 (Restated)	FYE 31 March 2022	18-months FPE 30 September 2023 ⁽²⁾⁽³⁾	3-months FPE 31 December 2023
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue	202,961	35,171	53,827	39,537	2,911
Cost of sales	(181,085)	(75,919)	(73,502)	(43,287)	(2,736)
Gross profit/(loss)	21,876	(40,748)	(19,675)	(3,750)	175
Other income	759	2,197	225	6,176	-
Finance income	618	220	11,154	2,841	-
Fair value adjustments on investment properties	4,658	(8,770)	2,790	18,880	-
Impairment loss on financial assets	(2,318)	(11,297)	(396)	(8,502)	-
Impairment loss on contract assets	-	(3,279)	-	-	-
Distribution expenses	(2,056)	(115)	(33)	(41)	(10)
Administration expenses	(68,849)	(27,534)	(21,267)	(30,376)	(3,431)
Other expenses	(7,983)	(33,760)	(44,896)	(2,196)	-
Finance costs	(21,953)	(23,936)	(21,408)	(35,446)	(6,537)
LBT	(75,248)	(147,022)	(93,506)	(52,414)	(9,803)
Tax expense	(13,378)	(23,168)	(3,611)	(18,303)	-
Net loss for the FYE/FPE	(88,626)	(170,190)	(97,117)	(70,717)	(9,803)
Other comprehensive loss for the FYE/FPE	10,225	(4,359)	(8,919)	29,797	-
Total comprehensive loss for the FYE/FPE	(78,401)	(174,549)	(106,036)	(40,920)	(9,803)
Total comprehensive loss attributable to:					
Owners of the Company	(77,382)	(165,008)	(103,951)	(32,609)	(9,607)

HISTORICAL FINANCIAL INFORMATION OF SENTORIA GROUP (cont'd)

Non-controlling interest	(1,019)	(9,541)	(2,085)	(8,311)	(196)
	(78,401)	(174,549)	(106,036)	(40,920)	(9,803)
Equity attributable to owners of the Company	439,799	274,791	170,840	141,420	131,813
Non-controlling interests	(68)	(9,609)	(11,694)	(19,031)	(19,227)
Total equity	439,731	265,182	159,146	122,389	112,586
Weighted average number of ordinary shares outstanding ('000)	557,681	557,681	557,681	583,703	613,381
NA per Share (RM) ⁽⁴⁾	0.78	0.48	0.29	0.21	0.18
Borrowings ('000) (RM)	441,295	462,671	438,723	430,848	436,308
Gearing ratio (times) ⁽⁵⁾	1.00	1.74	2.76	3.52	3.86
Loss per Share (sen) ⁽⁶⁾	(13.88)	(29.59)	(18.64)	(5.59)	(1.57)

Notes:

- (1) On 24 December 2019, the Company announced that the financial year end of the Group and of the Company had changed from 30 September 2019 to 31 March 2020. The comparative figures for the financial period ended 31 March 2020 are therefore for the 18-month period from 1 October 2018 to 31 March 2020.
- (2) On 25 April 2023, the Company announced that the Group had changed its financial year end from 31 March 2023 to 30 September 2023. As such, there will be no comparative financial information available for the preceding year's corresponding periods.
- (3) On 31 January and 6 February 2024, the Company announced that the Company's external auditor has issued a qualified opinion of the financial statement for the 18-months FPE 30 September 2023 (per the amended announcement on) particularly on the material uncertainty related to going concern, as set out below:
- (a) The Group and the Company had incurred a net loss attributable to owners of the Company of RM62.41 million and RM48.59 million respectively during the financial period from 1 April 2022 to 30 September 2023.

As at 30 September 2023, the Group's and the Company's total current liabilities have exceeded its total current assets by RM458.58 million and RM142.89 million, respectively.

The above events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. As disclosed in the financial statements, the ability of the Group and the Company to continue as a going concern are highly dependent on successful implementation of key restructuring measures which include obtaining the approval from Bursa Securities and the Company's shareholders for and implementation of the Proposed RCB; operational recovery from the PDD and LHD; expedition on the completion of housing development projects from further delay; settlement of the overdue payables under restraining order arrangement; and effectiveness on working capital management.

HISTORICAL FINANCIAL INFORMATION OF SENTORIA GROUP (cont'd)

If these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

- (4) *Calculated based on total equity as at year-end divided by the weighted average number of ordinary shares outstanding during the financial year/ period.*
- (5) *Calculated based on borrowings divided by shareholders' equity.*
- (6) *Calculated based on total comprehensive loss attributable to the owners of the Company over the weighted average number of ordinary shares outstanding during the financial year/ period.*

Commentaries:**(a) 18-months FPE 31 March 2020 vs FYE 31 March 2021**

The Group's annualised revenue decreased by RM100.14 million or 74.01% from RM135.31 million in FPE 31 March 2020 to RM35.17 million in FYE 31 March 2021. The PDD continued to be the major contributor to the Group's revenue. The overall slow progress of construction works due to COVID-19 pandemic consequently led to lower revenue recognition.

The Group's annualised LBT increased by RM96.85 million or 193.04% from RM50.17 million in the FPE 31 March 2020 to RM147.02 million in the FYE 31 March 2021. This was mainly due to the PDD suffered margin compressions arising from rising construction and development costs, and associated costs from project delays in FYE 2021. The gross margin for the LHD had also taken a hit from the impact of COVID-19 pandemic as all leisure parks were closed during the various stage of Movement Control Order (MCO) imposed by the government, resulted in high fixed or semi-fixed operating costs incurred without a commensurate level of revenue.

(b) FYE 31 March 2021 vs FYE 31 March 2022

The Group's revenue increased by RM18.66 million or 53.06% from RM35.17 million in the FYE 31 March 2021 to RM53.83 million in the FYE 31 March 2022. The PDD was the major contributor to the Group's revenue with RM53.8 million for FYE 31 March 2022.

In correspond, the Group's net loss decreased by RM73.07 million or 42.93% from RM170.19 million in the FYE 31 March 2021 to RM97.12 million in the FYE 31 March 2022, mainly due to the PDD suffered bigger margin compressions in FYE 31 March 2021 arising from rising construction and development costs, and associated costs from project delays.

For information purposes, below is the list of projects which encountered delays during the FYE 31 March 2021, including cost overruns from such delays:

Delayed projects/ developments	Cost overruns⁽¹⁾ (RM '000)
Morib Seroja	612
Morib Mawar	258
Total	870

Note:

- (1) *There was no recorded liquidated ascertained damage(s) as the Company had obtained extension of time from the project owners.*

Based on the above, below is the tabulation of profit margin compressions/ pressures suffered by the Group as at 31 March 2021 for the following projects/ developments:

Affected projects/ developments	Projected profits at FYE 31 March 2021 (RM '000)	Projected profits at FYE 31 March 2022 (RM '000)	Differences (RM '000)
Morib Seroja	6,095	5,483	612

HISTORICAL FINANCIAL INFORMATION OF SENTORIA GROUP (cont'd)

Morib Mawar	1,319	1,061	258
Morib RSKU Apartment Plot L	11,754	1,799	⁽¹⁾ 9,955
Total	19,168	8,343	10,825

Note:

- (1) The margin compression for Morib RSKU Apartment Plot L was due to cost and value recognition adjustments, mainly due to adjustment of the development and planning costs from RM8.94 million to RM17.42 million related to planning & design, administration & documentation, and finance cost. The major contribution to the margin compressions is the recognition of land cost of RM8.19 million for FYE 31 March 2022.

(c) FYE 31 March 2022 vs 18-months FPE 30 September 2023

The Group's revenue decreased by RM27.47 million or 51.03% from RM53.83 million during the FYE 31 March 2022 to the annualised revenue of RM26.36 million for FPE 30 September 2023 due to lower revenue contribution from the PDD projects. Similar to the previous years, the PDD continued to be the major contributor to the Group's revenue for FPE 30 September 2023.

With regards to the Group's LBT, the Group saw a decrease by RM58.57 million or 62.64% from RM93.51 million in the FYE 31 March 2022 to an annualised figure of RM34.94 million. This was primarily attributed to the improved margin of the PDD during the FPE 30 September 2023, resulted from reduced construction and development cost.

(d) 3-months FPE 31 December 2023

The Group recorded a revenue of RM2.91 million during the 3-months FPE 31 December 2023. A majority of the revenue, i.e. RM2.78 million or 95.33%, was contributed from the PDD. In comparison to the immediate preceding quarter as at 30 September 2023 (which recorded 18.44 million in revenue), the 3-month FPE 31 December 2023 registered a lower figure by RM15.5 million or 84%. This was mainly attributed to the lower construction and development progress from PDD projects in Kuantan, Morib and Kuching.

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. CONSENT AND CONFLICT OF INTERESTS

Mercury Securities, being the Principal Adviser to the Company for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Mercury Securities confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as Principal Adviser to the Company for the Proposals.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by the Group, which may have a material impact on the profits and/or NA of the Group.

3.2 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the profits and/or NA of the Group.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings, pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially affect the business or financial position of the Group.

**(a) Mainline Enterprise Sdn Bhd (“Mainline”) v Sentoria Bina Sdn Bhd (“SBSB”)
*Kuching High Court Suit No. KCH-22NCVC-39/10-2021 (HC3)***

SBSB is a wholly-owned subsidiary of Sentoria. On 20 October 2021, Mainline filed a suit against SBSB for a contract sum owing of RM1,785,089.40. Whereby SBSB had appointed Mainline as the subcontractor for water reticulation works for several housing projects in Kuching, Sarawak in the years of 2017, 2018, 2019 and 2021. On 28 April 2022, Mainline and SBSB reached a consent judgment amounting to RM1,593,175.99. The repayment terms are outlined as follows:

1. RM787,324.58 will be paid in 6 instalments, as per the order dated 3 May 2021 via an originating summons (No. WA-24NCC-519-11/2020) of which SBSB shall pay RM39,366.23 on 31 December 2021; RM39,366.23 on 31 December 2022; RM78,732.46 on 31 December 2023; RM157,464.92 on 31 December 2024; RM236,197.37 on 31 December 2025; and RM236,197.37 on 31 December 2026.

This amount forms part of the scheme of arrangement obtained by SBSB, of which SBSB has, as at to-date, adhered to the repayment schedule as fixed.

FURTHER INFORMATION (Cont'd)

2. An amount of RM805,851.41 is to be settled through 12 monthly instalments on the 15th of each month from July 2022 to June 2023. In case of default on any instalment for RM805,851.41, the entire amount becomes immediately payable.

For item 2 above, out of the RM805,851.41, as at December 2023, the company has repaid RM402,925.68 to Mainline. Subsequently on 20 January 2024, based on the financial situation SBSB is in, Mainline has agreed, out of goodwill, to permit SBSB to make reduced monthly repayments of RM10,000.00 starting from 15 December 2023 until June 2024, for the remaining outstanding balance of RM402,925.73. After June 2024, the parties would re-negotiate on the payment terms.

**(b) Kay Corporation (“Plaintiff”) v Sentoria IBS Sdn Bhd (“Sentoria IBS”)
*Petaling Jaya Session Court Suit No. BB-B52C-12-07/2023***

Sentoria IBS is a wholly-owned subsidiary of Sentoria. On 21 July 2023, Plaintiff filed a suit against Sentoria IBS for a contract sum owing of RM356,814.70 on the work done at Sentoria IBS's Kuala Langat project.

Thereafter, on 19 January 2024, the parties have entered into a consent judgment on the outstanding amount by way of 7 months instalments repayment commencing from 27 November 2023 until 27 May 2024. The initial instalment is set at RM56,814.70, followed by subsequent instalments of RM50,000.00.

As at the LPD, Sentoria IBS has adhered to the repayment of instalments as scheduled.

**(c) Sentoria Langkawi Sdn Bhd (“SLSB”) v :
 (1) Lembaga Pembangunan Langkawi (“LPL”); and
 (2) Affin Bank Berhad (“Affin Bank”)
*Alor Setar High Court Suit No. KA-22NCVC-56-11/2022***

SLSB is a subsidiary of Sentoria, with Sentoria holding a 70% ownership stake in SLSB. SLSB entered into two lease agreements dated 1 September 2014 with LPL for the “*Tourism Revitalisation Project*” in Langkawi, including the Langkawi Nature Park Project. The lease covered 2 plots of Malay reserve lands for 90 years, with a total premium of RM41,472,000, 70% of which was financed by Affin Bank.

SLSB was required to declassify the land or swap it with non-Malay reserve land. Despite incurring development costs based on the LPL's representations, SLSB faced obstacles such as zone restrictions. Additionally, LPL declined to approve the subdivision of the land, thereby impeding the declassification process.

Subsequently, due to financing loan provided by Affin Bank to SLSB, SLSB is required to obtain Affin Bank's consent on SLSB's change of ownership of its issued capital so that SLSB may obtain declaration that it is deemed to be “*Malay*”. With the “*Malay*” status, SLSB will be able to comply with the lease agreements to register the lease of lands which are Malay reserve lands. However, due to Affin Bank wrongfully and unreasonably withheld its consent on SLSB's change of ownership of its issued capital, SLSB is unable to register for the lease. Affin Bank has therefore breached the terms of the facilities agreement and/or its fiduciary duty and/or duty of care towards SLSB.

On 12 May 2021, LPL issued a termination notice, which SLSB contested, attributing the breach to LPL. During attempts to settle, LPL refunded RM28,900,000 to Affin Bank, thereby unilaterally and effectively terminating the lease agreements and facilities instruments.

FURTHER INFORMATION (Cont'd)

SLSB claims for the following reliefs:

1. A declaration that LPL is liable for breaches of and putting an end to the lease agreements;
2. A declaration that LPL is liable for infringements of SLSB's rights to property as the owner of the leases;
3. Special damages of RM36.9 million (including the loss of RM12.5 million due to the difference between the land premium of RM41.4 million and the refund of RM28.9 million);
4. General damages in the sum of RM414.3 million or such sums that is assessed by the court to be paid by LPL to SLSB;
5. A declaration that Affin Bank is liable for breaches of the facilities agreement;
6. General damages to be assessed in respect of Affin Bank's breaches of the facilities agreement and/or facilities instruments;
7. Interests on all sums awarded at the rate of 5% per annum from the date of the purported remedy notices or the date of judgment or such other date as the court deems fit, to the date of full settlement;
8. Costs; and
9. Such further order or other relief as the court deems fit to grant.

On 16 January 2023, LPL filed its defence and counterclaim against SLSB, LPL counterclaims against SLSB for the following:

1. An order that SLSB immediately stops all development operations on the lands according to the lease agreements or any part thereof;
2. An order that SLSB removes all hardware, machines, machinery, construction materials, contractors, subcontractors, employees, agents, servants from the lands according to the lease agreements or any part thereof within 7 days from the date of the order;
3. An order that SLSB hands over the vacant possession of the lands in accordance with the lease agreements in full to LPL within 7 days from the date of the order with all rights and/or interests of LPL thereon preserved/remaining guaranteed;
4. An order that SLSB hands over to LPL all the documents that have been given to it either through LPL or its lawyer with all the rights and interests of LPL over the lands according to the lease agreements preserved/remaining guaranteed during the period 7 days from the date of the order;
5. An order that SLSB immediately cancels all forms of encumbrances and/or restrictions (if any) including and not limited to caveats on the lands according to the lease agreement or any part thereof in the period 7 days from the date of the order
6. An order that SLSB within 7 days from the date of the order return all payments advanced by LPL on its behalf for the land taxes (alleged amount of RM221,047.35) payable by SLSB or any taxes and/or fees and/or payments imposed by the relevant authorities according to the lease agreements until the date vacant possession is fully given to LPL;

FURTHER INFORMATION (Cont'd)

7. An interpleader order for the court to determine to whom the remaining lease money according to the lease agreement should be paid after deducting the amount of financing given by Affin Bank to SLSB as part of the total lease amount according to the lease agreement which has been returned to Affin Bank by LPL and 20% of the amount of certain damages payable by SLSB to LPL pursuant to the lease agreement (approximately RM6,098,400 out of RM30,492,000 of the lease amount);
8. An injunction order preventing SLSB either by itself and/or through its agents and/or its servants and/or its employees or anyone under any circumstances from occupying, carrying out any development work on the lands according to the lease agreements or any part thereof or do any form of act under any circumstances that undermines and/or affects and/or injures the interest of LPL on the lands according to the lease agreement or any part of it;
9. An order for damages and damages assessed and paid by SLSB to LPL within 7 days from the date of the order on the assessment of damages;
10. Interest at the rate of 5% per annum on the amount above calculated from the date of the order on the assessment of damages until full settlement;
11. Cost; and
12. Any other order and relief as the court deems fit to grant.

The trial has been fixed on 26, 27, 28 August 2024 and 2, 3 September 2024.

- (d) **(1) Fatimah Binti Ramli (“1st Plaintiff”); and (2) Sentoria Harta Sdn Bhd (“SHSB” or “2nd Plaintiff”) v Al Rajhi Banking & Investment Corporation (Malaysia) Bhd (“Al Rajhi Bank”)**
Kuala Lumpur High Court Suit No. WA-22NCVC-708-12/2023

2nd Plaintiff is a wholly-owned subsidiary of Sentoria. On 22 December 2023, both Plaintiffs filed a claim against Al Rajhi Bank for failure to release proceeds from the housing development account, as stipulated in the assignment of sales agreement signed between SHSB and Al Rajhi Bank.

The 1st Plaintiff, a buyer of one of the RSKU projects under MBRC, entered into a sale and purchase agreement with SHSB, the project’s developer and Seriemas Development Sdn Bhd, the landowner on 11 July 2018 for the purchase of a parcel at the purchase price of RM220,000.00.

Subsequently, SHSB secured financing of RM18 million from Al Rajhi Bank. However, on 4 February 2020, Al Rajhi Bank via a letter informed SHSB that a facility up to RM10,000,000.00 was to be terminated, with only RM7,992,133.95 being disbursed to SHSB.

With the failure to release proceeds, both Plaintiffs claim against Al Rajhi Bank for:

1. Declaration of the illegality, nullity, and voidness of specific provisions in agreements signed between SHSB and Al Rajhi Bank in respect of Al Rajhi Bank’s rights to release of proceeds.
2. Declaration that Al Rajhi Bank is not entitled to utilise or withdraw funds from the housing development account to offset any debt owed by SHSB and is liable to compensate for resulting losses and damages.
3. Recovery of a deposit and progressive payments totaling RM132,000.00 for the 1st Plaintiff.

FURTHER INFORMATION (Cont'd)

4. Order for Al Rajhi Bank to pay progressive interest to the 1st Plaintiff's financier.
5. Compensation for loss of rental income amounting to RM24,000.00 (until December 2023) and subsequent monthly rentals of RM800.00 to the 1st Plaintiff.
6. Recovery of RM672,220.00 wrongfully withdrawn from the housing development account, in which the withdrawal of RM672,220.00 is from the alleged redemption sum from the existing sold units to repay the sum due and owing to Al Rajhi Bank.
7. Compensation for the SHSB's loss of cash flow totaling RM52,068,000.
8. Liquidated ascertained damages of RM8,528,646.58 (calculated until 30 June 2025) and subsequent daily damages of RM8,076.71 from 1 July 2025 until actual vacant possession for SHSB.
9. Compensation for reputation loss suffered by SHSB.
10. Assessment of exemplary damages.
11. Assessment of general damages for breaches as outlined in the statement of claim.
12. Interest, costs, and any other relief deemed appropriate by the court.

The matter is fixed for case management on 21 February 2024.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the registered office of the Company at 56 & 58 (2nd Floor), Jalan Dagang SB 4/2, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia, during normal business hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) the Constitution;
- (ii) the audited financial statements of the Company for the FYE 31 March 2022 and 18-months FPE 30 September 2023 as well as the latest unaudited financial statements of the Company for the 3-months FPE 31 December 2023;
- (iii) the Deed Poll B;
- (iv) the letter of consent and declaration of conflict of interest referred to in Section 2 of this Appendix
- (v) the Subscription Agreement;
- (vi) the draft trust deed in relation to the Bonds; and
- (vii) the relevant cause papers in respect of the material litigations referred to in Section 4 of this Appendix.

SENTORIA

Build a Better Tomorrow

SENTORIA GROUP BERHAD
(Registration No. 199801007217 (463344-K))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Sentoria Group Berhad (“**Sentoria**” or “**Company**”) will be conducted virtually at the Broadcast Venue at BO1-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Thursday, 25 April 2024 at 4:00 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

SPECIAL RESOLUTION

PROPOSED CONSOLIDATION OF EVERY 4 EXISTING ORDINARY SHARES IN SENTORIA (“SENTORIA SHARES” OR “SHARES”) INTO 1 SENTORIA SHARE (“CONSOLIDATED SHARE(S)”) (“PROPOSED SHARE CONSOLIDATION”)

“**THAT** subject to the approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to give effect to the consolidation of every 4 existing Shares held by the entitled shareholders of the Company whose name appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board of Directors of the Company (“**Board**”) and announced later by the Company (“**Entitlement Date**”) into 1 Consolidated Share.

THAT the Consolidated Shares shall, upon allotment and issuance, rank equally in all respects with one another.

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 the Company.

AND THAT the Board be and is hereby authorised to sign and execute all documents to give effect to the Proposed Share Consolidation with full power to assent to any conditions, modifications, variations and / or amendments in any manner as may be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board may consider necessary or expedient in order to implement, finalise and give full effect to the Proposed Share Consolidation.”

ORDINARY RESOLUTION

PROPOSED ISSUANCE OF REDEEMABLE CONVERTIBLE BONDS (“BONDS”) (CONVERTIBLE INTO UP TO 306,690,544 NEW SENTORIA SHARES”), BEING THE MAXIMUM PERMITTED NUMBER OF SHARES IN SENTORIA WITH AN AGGREGATE NOMINAL VALUE OF UP TO RM150.0 MILLION (“PROPOSED RCB”)

“**THAT**, subject to the passing of the Special Resolution and the approval of all relevant authorities, approval be and is hereby given to the Company to:

- (i) issue up to RM150.0 million nominal value of Bonds, convertible into Sentoria Shares at a conversion price to be determined in accordance with the terms and conditions of the subscription agreement dated 18 January 2024 entered into between the Company and Triton Capital Fund VCC as a subscriber in relation to the Proposed RCB (“**Subscription Agreement**”); and

- (ii) allot and issue such number of new Sentoria Shares pursuant to the conversion of the Bonds, from time to time during the tenure of the Bonds, credited as fully paid-up in accordance with the terms and conditions of the Subscription Agreement.

THAT such new Sentoria Shares to be issued arising from the conversion of the Bonds, shall, upon allotment and issuance, be listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and rank equally in all respects with the then existing Sentoria Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the relevant date of allotment of the Sentoria Shares.

THAT pursuant to Section 85(1) of the Companies Act 2016 ("**Act**") to be read together with Article 68 of the Constitution of the Company, should the resolution on Proposed RCB be passed by the shareholders of the Company, such resolution shall have the effect that the shareholders of the Company having agreed to irrevocably waive their pre-emptive rights to be offered in proportion to their shareholdings in the Company new Sentoria Shares to be allotted and issued by the Company pursuant to conversion of the Bonds.

AND THAT the Board be and is hereby authorised to take all such steps and to enter into all such other agreements, deeds, arrangements, undertakings, indemnities, transfers, assignments and guarantees with any party or parties and to do all acts and things, as the Board may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed RCB with full powers to sign and execute all documents, make applications to authorities and regulatory bodies for any approvals and consents required and assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things in any manner as they may deem necessary or expedient and/or appropriate to implement, finalise and give full effect to the Proposed RCB."

**BY ORDER OF THE BOARD
SENTORIA GROUP BERHAD**

DATUK TAN LEH KIAH

MAICSA No.: 0719692

SSM PC No.: 201908002912

Company Secretary

LIM CHIEN JOO (MS)

MAICSA No.: 7063152

SSM PC No.: 201908004025

Company Secretary

CHIN LEE CHYEN (MS)

MAICSA No.: 7055910

SSM PC No.: 202008001611

Company Secretary

Seri Kembangan, Selangor Darul Ehsan
3 April 2024

Notes:

- (1) *The EGM will be held and conducted on a fully virtual basis through live streaming with an online remote participation and voting provided by V-Cube Malaysia Sdn Bhd from the Streaming Venue at BO1-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia. Shareholders are required to register at bit.ly/SentoriaEGM_Shareholder to attend virtually, posting questions to the Board via real time submission of typed texts and vote (collectively, "participate") remotely at the EGM. Shareholders are advised to refer to the Administrative Guide.*
- (2) *For the purpose of determining who shall be entitled to attend this EGM remotely, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 18 April 2024** (which is not less than 3 clear market days before the date of this EGM). Only a shareholder whose name appears on this Record of Depositors, shall be entitled to attend virtually this EGM or appoint a proxy to attend virtually, post questions via text, and vote on his/her behalf at the EGM.*
- (3) *A shareholder entitled to attend virtually, post questions via text and vote at this EGM, who is the holder of 2 or more shares is entitled to appoint not more than 2 proxies to attend virtually, post questions via text, and vote at this EGM in his/her stead. A proxy may but need not be a shareholder of the Company and there shall be no restriction as to the qualification of the proxy.*
- (4) *Where a shareholder appoints 2 proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. Provided that having appointed a proxy to attend in his/her stead, if such shareholder personally attends this EGM, his/her proxy shall be precluded from the meeting. Such attendance by the shareholder has to be informed by the shareholder at least 48 hours before the convening of the EGM.*

- (5) Where a shareholder is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (6) The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- (7) A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to attend virtually, post questions via text and vote at this virtual EGM, must request his/her proxy(ies) or attorney(s) or authorised representative(s) to register himself/herself at bit.ly/SentoriaEGM_Proxy. Please follow the procedures in Administrative Guide.
- (8) The appointment of proxy may be made in a hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the following address: -

Poll Administrator of Sentoria Group Berhad
No. 6-2, Level 2, Plaza Crystalville II,
No. 6, Jalan 22B/70A, Desa Sri Hartamas,
50480 W.P. Kuala Lumpur, Malaysia.

In the case of electronic appointment, the Form of Proxy must be lodged to the Company, by emailing to investor@sentoria.com.my or e-registered at bit.ly/SentoriaEGM_Proxy.

Kindly refer to the Administrative Guide on the procedures for electronic lodgement of Form of Proxy. All Form of Proxy submitted must be received by the Company, not less than 48 hours before the time appointed for holding this EGM or any adjournment thereof.
- (9) Please ensure ALL the particulars as required in the hard copy of the Form of Proxy are completed, signed, and dated accordingly.
- (10) Last date and time for lodging the Form of Proxy is on **Tuesday, 23 April 2024 at 4:00 p.m.**
- (11) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of this EGM will be put to vote by poll.

Explanatory Notes to Ordinary Resolution

Pursuant to Section 85(1) of the Act read together with Article 68 of the Company's Constitution, the existing shareholders of the Company have a statutory pre-emptive right to be offered any new shares which rank equally to existing shares issued by the Company. By you voting in favour of the proposed Ordinary Resolution, you will be waiving your statutory pre-emptive right and the proposed Ordinary Resolution, if passed, will exclude your statutory pre-emptive right to be offered any new shares to be allotted and issued by the Company pursuant to the Proposed RCB, which will result in a dilution to your shareholding in the Company.

SENTORIA

Build a Better Tomorrow

SENTORIA GROUP BERHAD
(Registration No. 199801007217 (463344-K))
(Incorporated in Malaysia)

FORM OF PROXY

(Before completing the form please refer to the notes below)

No. of Shares held	CDS Account No.

I/We _____ NRIC/ Company No. _____
(FULL NAME IN BLOCK CAPITALS)

of _____ Tel No. _____
(ADDRESS)

being a member of **SENTORIA GROUP BERHAD ("COMPANY")**, hereby appoint:

Proxy 1 – Full name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

Proxy 1 – Full name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

or failing him/ her, the Chairman of the Meeting, as my/ our proxy(ies) to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be conducted virtually at the Broadcast Venue at BO1-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Thursday, 25 April 2024 at 4:00 p.m. or at any adjournment thereof. My/our proxy(ies) shall vote as follows:

	Resolutions	For	Against
Special Resolution	Proposed Share Consolidation		
Ordinary Resolution	Proposed RCB		

Please indicate with an "X" in the appropriate boxes on how you wish your vote to be casted. If no specific direction as to voting is given, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

Dated thisday of.....2024

Signature of Member/Common Seal

Notes:

- (1) The EGM will be held and conducted on a fully virtual basis through live streaming with an online remote participation and voting provided by V-Cube Malaysia Sdn Bhd from the Streaming Venue at BO1-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia. Shareholders are required to register at bit.ly/SentoriaEGM_Shareholder to attend virtually, posting questions to the Board via real time submission of typed texts and vote (collectively, "participate") remotely at the EGM. Shareholders are advised to refer to the Administrative Guide.
- (2) For the purpose of determining who shall be entitled to attend this EGM remotely, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 18 April 2024** (which is not less than 3 clear market days before the date of this EGM). Only a shareholder whose name appears on this Record of Depositors, shall be entitled to attend virtually this EGM or appoint a proxy to attend virtually, post questions via text, and vote on his/her behalf at the EGM.

- (3) A shareholder entitled to attend virtually, post questions via text and vote at this EGM, who is the holder of 2 or more shares is entitled to appoint not more than 2 proxies to attend virtually, post questions via text, and vote at this EGM in his/her stead. A proxy may but need not be a shareholder of the Company and there shall be no restriction as to the qualification of the proxy.
- (4) Where a shareholder appoints 2 proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. Provided that having appointed a proxy to attend in his/her stead, if such shareholder personally attends this EGM, his/her proxy shall be precluded from the meeting. Such attendance by the shareholder has to be informed by the shareholder at least 48 hours before the convening of the EGM.
- (5) Where a shareholder is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (6) The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- (7) A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to attend virtually, post questions via text and vote at this virtual EGM, must request his/her proxy(ies) or attorney(s) or authorised representative(s) to register himself/herself at bit.ly/SentoriaEGM_Proxy. Please follow the procedures in Administrative Guide.
- (8) The appointment of proxy may be made in a hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the following address: -
- Poll Administrator of Sentoria Group Berhad
No. 6-2, Level 2, Plaza Crystalville II,
No. 6, Jalan 22B/70A, Desa Sri Hartamas,
50480 W.P. Kuala Lumpur, Malaysia.
- In the case of electronic appointment, the Form of Proxy must be lodged to the Company, by emailing to investor@sentoria.com.my or e-registered at bit.ly/SentoriaEGM_Proxy.
- Kindly refer to the Administrative Guide on the procedures for electronic lodgement of Form of Proxy. All Form of Proxy submitted must be received by the Company, not less than 48 hours before the time appointed for holding this EGM or any adjournment thereof.
- (9) Please ensure ALL the particulars as required in the hard copy of the Form of Proxy are completed, signed, and dated accordingly.
- (10) Last date and time for lodging the Form of Proxy is on **Tuesday, 23 April 2024 at 4:00 p.m.**
- (11) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of this EGM will be put to vote by poll.

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AFFIX STAMP

SENTORIA

Build a Better Tomorrow

SENTORIA GROUP BERHAD
(Registration No. 199801007217 (463344-K))

Poll Administrator of Sentoria Group Berhad
No. 6-2, Level 2, Plaza Crystalville II,
No. 6, Jalan 22B/70A,
Desa Sri Hartamas,
50480 W.P. Kuala Lumpur, Malaysia

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