

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in 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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SAND NISKO CAPITAL BERHAD

[Registration No. 199501010609 (339810-A)]

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under Companies Act, 2016)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PART A

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

PART B

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

The above proposals will be tabled as Special Business at Sand Nisko Capital Berhad ("SNC" or "the Company")'s Twenty-Eighth Annual General Meeting ("**28th AGM**") to be held at Studio 1, Level 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Wednesday, 14 June 2023 at 10.00 a.m. or any adjournment thereof. The Notice of the 28th AGM, together with the Form of Proxy are set out in the Annual Report 2022 of the Company, which is available at www.sncbhd.com.my.

A member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. The Form of Proxy should be lodged at the Share Registrar of the Company, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time of the AGM. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Share Registrar of the Company, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time stipulated for holding the 28th AGM. All the resolutions set out in the Notice of the 28th AGM are to be voted by poll.

The last date and time for lodging the Form of Proxy : Monday, 12 June 2023 at 10.00 a.m.
The date and time of the Twenty-Eighth (28th) AGM : Wednesday, 14 June 2023 at 10.00 a.m.

This Circular is dated 28 April 2023

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

"Act"	: Companies Act, 2016 as amended from time to time and any re-enactment thereof
"AGM"	: Annual General Meeting
"Annual Report 2022"	: Annual Report of SNC for FYE 31 December 2022
"Board"	: Board of Directors of SNC
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd 198701006854 (165570-W)
"Bursa Securities"	: Bursa Malaysia Securities Berhad 200301033577(635998-W)
"BTA"	: Biotrend Asia Sdn Bhd 200101010835 (546591-T), a wholly-owned subsidiary of DPS
"CCM"	: Companies Commission of Malaysia
"Circular"	: This circular/ statement to our shareholders dated 28 April 2023
"CMSA"	: The Capital Market and Services Act 2007, as amended from time to time and any re-enactment thereof
"Constitution"	: The Constitutions of SNC, as amended from time to time
"Datin' Sri Chu"	: Datin' Sri Chu Kim Guek
"Dato' Goh"	: Dato' Goh Soo Wee
"Dato' Sri Sow"	: Dato' Sri (DR) Sow Chin Chuan
"Director(s)"	: Shall have the meaning given in Section 2(1) of the CMSA and for the purpose of the Proposed Renewal of Shareholders' Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of transaction were agreed upon:- (i) a director of the listed issuer, its subsidiary or holding company; and (ii) a chief executive officer of the listed issuer, its subsidiary or holding company
"DPS"	: DPS Resources Berhad 200301028458 (630878-X), a company listed on the Main Market of Bursa Securities
"DPS Group"	: DPS and its subsidiaries collectively
"DPSD"	: DPS Development Sdn Bhd 199801002922 (459048-W)
"DPSP"	: DPS Properties Sdn Bhd 199801018284 (474413-V)
"DPSR"	: DPS Realty Sdn Bhd 198401000428 (112949-K)

"ECSB"	: ESYS Construction Sdn Bhd 198501014521 (146976-A)
"Edward"	: Edward Sow Yuen Seng
"Edmund"	: Edmund Sow Yong Ming
"Emily"	: Emily Sow Mei Chet
"EPS"	: Earnings per Share
"Eric"	: Eric Sow Yong Shing
"Eugene"	: Eugene Sow Chuan Sheng
"FYE"	: Financial year ended/ending
"Interested Director(s)"	: A Director of the Company with interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate and/or the Proposed Renewal of Share Buy-Back Authority
"Interested Major Shareholder(s)"	: A Major Shareholder of the Company with interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate and/or the Proposed Renewal of Share Buy-Back Authority
"Interested Related Party"	: A Related Party with interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate
"LAT"	: Loss after tax
"LCI"	: Len Cheong Industries Sdn Bhd 199001002908 (194474-V), a wholly-owned subsidiary of SNC
"LCM"	: Len Cheong Manufacturing Sdn Bhd 197001000776 (10089-H), a wholly-owned subsidiary of SNC
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 31 March 2023, being the latest practicable date prior to the printing of this Circular
"Major Shareholder(s)"	: A person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of the share, or the aggregate of the nominal amounts of these shares, is:-
	: (a) 10% or more of the aggregate of the nominal amounts of the voting shares in the corporation; or
	: (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation
	: For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act. For the purpose of the Proposed Renewal of Shareholders' Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of

the Company or any other company which its subsidiary company is or holding company.

“NA”	:	Net assets attributable to equity holders of SNC
“Person(s) Connected”	:	As defined in Chapter 1 Paragraph 1.01 of the Listing Requirements
“Proposed Renewal of Share Buy-Back Authority” or “Proposed Renewal of Share Buy-Back Authority”	:	Proposed renewal of authority for the Company to purchase and/or hold up to ten percent (10%) of its own shares in the share capital pursuant to Section 127 of the Act
“Proposed Renewal of Shareholders’ Mandate”	of :	Proposed renewal of existing shareholders’ mandate for RRPTs collectively
“Purchased Shares”	:	The Shares purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority
“Related Party(ies)”	:	In relation to a corporation, means a Director, Major Shareholder or Person Connected with such Director or Major Shareholder
“Related Party Transaction(s)”	:	A transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a Related Party
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“RRPTs”	:	Related Party Transactions which are recurrent, of a revenue or trading nature which are necessary for the day-to-day operations and are in the ordinary course of SNC Group
“Rules”	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, 2016 as amended from time to time and any re-enactment thereof
“SC”	:	Securities Commission
“SNC” or “Company”	:	Sand Nisko Capital Berhad 199501010609 (339810-A)
“SNC Group” or “Group”	:	SNC and its subsidiaries
“SNC Shares” or “Shares”	:	Ordinary shares in SNC
“SNCF”	:	SNC First Sdn Bhd 202001039572 (1395893-X), a wholly-owned subsidiary of SNC
“SNC Bio Green”	:	SNC Bio Green Sdn Bhd 202201034226 (1479923-T), a wholly-owned subsidiary of SNC
“SSB”	:	Shantawood Sdn Bhd 199101005229 (215539-H), a wholly-owned subsidiary of DPS
“SPMSB”	:	Shantawood Property Management Sdn Bhd 201601005146 (1176072-M), a wholly-owned subsidiary of DPS
“SSTSB”	:	Summer Starhill Sdn Bhd 202201034628 (1480325-M), a wholly-owned subsidiary of DPS

"Subsidiary(ies)	: For the purpose of this Circular, meaning given in Section 4 of the Act or Malaysian Financial Reporting Standard 10: Consolidated Financial Statements, whichever is applicable.
"Substantial Shareholder(s)"	: A person who has an interest in one or more voting shares in the company and the number or the aggregate number of such shares is not less than five per centum of the total number of all the voting shares included in the company and shall have the meaning given under Section 136 of the Act
"Teh"	: Teh Kok Liang
"Treasury Shares"	: The Shares purchased by the Company which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act
"WAMP"	: weighted average market price
"psf"	: per square feet
"sq ft"	: Square feet
"ZMSB"	: Zhongma Gem Sdn Bhd 201401022427 (1098513-W)

All references to "you" in this Circular are to the shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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

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PART B

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

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PART A

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY



SAND NISKO CAPITAL BERHAD
[Registration No. 199501010609 (339810-A)]
(Incorporated in Malaysia)

Registered Office:
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur

28 April 2023

The Board of Directors:

Dato' Goh Soo Wee (Executive Chairman)
Song Peng Wei (Executive Director)
Dato' Sri Yeong Joo Hock (Non-Independent Non-Executive Director)
Teh Kok Liang (Non-Independent Non-Executive Director)
Kong June Hon (Independent Non-Executive Director)
Dato' Chong Mun Phing (Independent Non-Executive Director)
Cheong Yee Peng (Independent Non-Executive Director)

To: The Shareholders of Sand Nisko Capital Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the Twenty-Seventh ("27th") AGM of the Company held on 14 June 2022, obtained its shareholders' approval on the Proposed Renewal of Share Buy-Back Authority to purchase up to ten percent (10%) of the total number of issued shares in the ordinary share capital of the Company at any point of time through Bursa Securities. In accordance with the Listing Requirements governing the purchase of a listed issuer's own shares by the listed issuer itself, the aforesaid approval will continue to be in force until the conclusion of the forthcoming 28th AGM of the Company which will be held on 14 June 2023.

On 25 April 2023, the Company had announced its intention to seek the shareholders' approval for the Proposed Renewal of Share Buy-Back Authority.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO BE TABLED AS A SPECIAL BUSINESS AT THE FORTHCOMING 28th AGM.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING 28th AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 Quantum and Funding

The Board is proposing to seek a renewal of mandate from the shareholders to purchase up to ten per cent (10%) of the total number of issued shares in the Company at any point in time subject to the compliance with the provision of the Act and requirements of Bursa Securities and/or any other relevant authorities.

For illustration purposes, the maximum amount of SNC Shares that may be purchased under the Proposed Renewal of Share Buy-Back Authority based on the existing total number of issued SNC Shares as at the LPD are as follows:-

	Minimum Scenario	Maximum Scenario
Total number of issued shares as at the LPD	231,725,500	231,725,500
New Shares issued pursuant to conversion of Warrants B	-	115,764,499
New Shares issued pursuant to the exercise of outstanding ESOS Options	-	9,018,825
Enlarged number of issued shares	231,725,500	356,508,824
Less: Maximum no. of shares to be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	(23,172,550)	(35,650,882)
Resultant issued share capital	208,552,950	320,857,942

The purchase of SNC Shares by the Company from the open market on Bursa Securities will be made through stockbroker(s) to be appointed by the Company.

Pursuant to the Listing Requirements, the maximum amount of funds to be allocated for any purchase of its own SNC Shares must not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or latest management accounts of the Company (where applicable) available at the time of the purchase(s). The retained earnings of the Company based on the latest audited financial statements of the Company for FYE 31 December 2022 stood at RM2.8 million.

The Proposed Renewal of Share Buy-Back Authority will be financed through internally generated funds and/or external borrowings, the proportion of which will depend on the quantum of the purchase consideration as well as the availability of the internally generated funds and/or external borrowings at the time of the purchase(s). The actual number of SNC Shares to be purchased will depend on the market conditions, the share market sentiments, the sufficiency of retained profits as well as the availability of the financial resources available to the Company.

In the event the Company decides to utilise external borrowings to finance the Proposed Renewal of Share Buy-Back Authority, it will ensure it has sufficient financial capability to repay external borrowings and that the external borrowings will not have any material impact on the cash flow of the Company.

2.2 Effective Period

The Proposed Renewal of Share Buy-Back Authority, if approved by the shareholders at the forthcoming AGM of SNC, will be effective immediately from the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority and shall continue to remain in force until:

- (a) the conclusion of the next AGM of the Company, at which time the authority will lapse, unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurring first.

2.3 Treatment of the Purchased Shares

In accordance with section 127 (4) of the Act, your Directors may deal with the Purchased Shares in either of the following manner:-

- (a) cancel the Purchased Shares; or
- (b) retain the Purchased Shares as treasury shares, which may be distributed as share dividends to the shareholders, resold on Bursa Securities, transferred as part of an Employee Share Scheme and/or used as purchase consideration in acquisition of assets; or
- (c) retain part of the Purchased Shares as Treasury Shares and cancel the remainder.

In any manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

In the event the Company wishes to purchase its own SNC Shares, the Company is required to comply with Section 112, 113 and 127 of the Act and the Company is required to release an immediate announcement on the day the purchase is made.

An appropriate announcement will also be made to Bursa Securities in respect of the intention of the Board whether to retain the Purchased Shares as treasury shares or cancel them or both.

While the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distributions or otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of SNC Shares or of a class of SNC Shares, in the Company for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote at a meeting.

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2.4 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares which is not more than fifteen percent (15%) above the WAMP of SNC Shares for the past five (5) market days immediately preceding the date of the purchase.

In addition, pursuant to Paragraph 12.18 of the Listing Requirements, in the case of a re-sale or transfer of treasury shares, the Company may only re-sell the Treasury Shares on Bursa Securities at:-

- (a) a price which is not less than WAMP for the Shares for the past five (5) market days immediately preceding the date of the resale; or
- (b) a discounted price of not more than five percent (5%) to the WAMP for the Shares for the past five (5) market days immediately preceding the date of the resale provided that:-
 - (i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the Purchased Shares being resold.

Any decision pertaining to the Proposed Renewal of Share Buy-Back Authority will take into account the quantum of purchase consideration as well as the availability of internally generated funds of the Company at the time of purchase and other relevant cost factor.

2.5 Public Shareholding Spread

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required under Paragraph 8.02 of the Listing Requirements. As at the LPD, the Company's public shareholding spread stood at 41.03%.

The Board will take cognisance of the requirements of Bursa Securities that any purchase of Shares by the Company must not result in public shareholding spread of the Company falling below 25% of its share capital.

2.6 Purchase and Re-sale Made in the Previous Twelve (12) Months

There is no purchase, re-sale and cancellation of shares in the previous twelve (12) months up to LPD.

2.7 Implications relating to the Rules

In the event that the Proposed Renewal of Share Buy-Back Authority results in any major shareholder and/or persons acting in concert ("**PAC**") with him/her obtaining control in a Company pursuant to the Rules, the affected major shareholder and/or PAC with him/her will be obliged to make a mandatory offer for the remaining SNC Shares not held by him/ her.

In the event the Proposed Renewal of Share Buy-Back Authority results in any major shareholder and/or PAC with him/ her who already holds more than 33% but less than 50% of the voting shares of the Company increasing by more than 2% in any six (6) months period, pursuant to the Rules, the affected major shareholders and/or PAC with

him/her will be obliged to make a mandatory offer for the remaining SNC Shares not held by him/her.

It is not the intention of the Company to cause any shareholders to trigger an obligation to undertake a mandatory general offer under the Rules and the Company will be mindful of the above implications of the Rules in making any purchase of SNC Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

However, the affected major shareholder and/or PAC with him/ her may apply for a waiver from the SC under Paragraph 4.15 of the Rules.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, if implemented, is expected to benefit the Company and its shareholders as follows:-

- (a) the Company would expect to enhance the EPS of the Group (in the case where the Directors resolve to cancel the Purchased Shares and/or retain the Purchased Shares in treasury and the Treasury Shares are not subsequently resold) as the Purchased Shares are not taken into account when calculating the EPS of the Company. The increase in EPS, if any, arising from the Proposed Renewal of Share Buy-Back Authority may have a positive effect on the market price of the Shares. Therefore, long term investors are expected to enjoy a corresponding increase in the value of their investment in the Company;
- (b) if the Purchased Shares are kept as Treasury Shares, it will give the Directors an option to sell the Purchased Shares at a higher price and therefore make an exceptional gain for the Company without affecting the total share capital of the Company. Alternatively, the Purchased Shares can be distributed as share dividends to shareholders and, if undertaken, would serve as a reward to the shareholders of the Company; and
- (c) the Proposed Renewal of Share Buy-Back Authority enables the Company to utilise its surplus financial resources to purchase its own shares from the open market. In this way, the Company has an option to stabilise the supply and demand of SNC Shares traded on the Main Market of Bursa Securities and therefore ensure that the pricing of SNC Shares reflects its fundamental value.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

4.1 Potential Advantages

The potential advantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (i) SNC may be able to stabilise the supply and demand of SNC Shares in the open market and therefore support its fundamental value;
- (ii) General investors' confidence in the stability of SNC Shares' price is expected to be enhanced as SNC is empowered to implement the Proposed Renewal of Share Buy-Back Authority;
- (iii) The SNC Group will have the added option to utilise its financial resources for which it has no immediate usage, for the purchase of SNC Shares;

- (iv) The Proposed Renewal of Share Buy-Back Authority will help enhance value for long-term shareholders from a resultant reduction in the number of Shares in the market, by potentially increasing the earnings per share;
- (v) SNC may utilise the Treasury Shares to benefit, directly and indirectly, shareholders, by distributing the Treasury Shares as future dividend pay out to SNC shareholders and/or for resale in the open market should opportunities arise in the future for an exceptional gain; and
- (vi) Should the Treasury Shares be subsequently resold at prices higher than their purchase prices, the increase in financial resources of the Company may offset that of its outflow when purchasing its own shares from the open market, resulting in a net gain for shareholders.

4.2 Potential disadvantages

The Proposed Renewal of Share Buy-Back Authority will reduce the financial resources of the Company which may result in the Company foregoing better investment opportunities that may emerge in the future. Since the Proposed Renewal of Share Buy-Back Authority can only be paid out from retained profits, it may also result in the reduction of financial resources available for distribution to the shareholders of the Company in the immediate future.

The Board undertakes to buy back the Shares and approve any subsequent resale only after giving due consideration to the potential impact on the Company's earnings and only if they are of the opinion that it would be in the interests of the Company and its shareholders.

5. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Assuming that the Proposed Renewal of Share Buy-Back Authority is carried out in full, the effects of the Proposed Renewal of Share Buy-Back Authority on the share capital, shareholdings of Directors, Major Shareholders and Persons Connected to Directors and Major Shareholders of SNC, NA, working capital and EPS are set out below:

5.1 Share Capital

For illustration purposes only, the scenario below shows the movement of the share capital of the Company as at LPD assuming SNC Shares so purchased pursuant to the Proposed Renewal of Share Buy-Back Authority are subsequently fully cancelled.

Minimum Scenario: Assuming none of the outstanding Warrants B and Outstanding Employees' share option scheme ("ESOS") Options are exercised into new Shares.

Maximum Scenario: Assuming all the outstanding Warrants B and outstanding ESOS Options are exercised into new Shares.

	Minimum Scenario	Maximum Scenario
Total number of issued shares as at the LPD	231,725,500	231,725,500
New Shares issued pursuant to conversion of Warrants B	-	115,764,499
New Shares issued pursuant to the exercise of outstanding ESOS Options	-	9,018,825
Enlarged number of issued shares	231,725,500	356,508,824

Less: Maximum no. of shares to be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	(23,172,550)	(35,650,882)
Resultant issued share capital	208,552,950	320,857,942

However, the Proposed Renewal of Share Buy-Back Authority will have no effect on the total number of issued shares of SNC if all the Purchased Shares are retained as treasury shares, resold on the open market, distributed as share dividends or transferred for purposes of an employees' share scheme or as purchase consideration.

5.2 NA

The effect of the Proposed Renewal of Share Buy-Back Authority on the consolidated NA per Share will depend on the number of SNC Shares purchased, the effective funding costs of finance the purchase of the SNC Shares and the treatment of the Purchased Shares.

The Proposed Renewal of Share Buy-Back Authority is likely to reduce the consolidated NA per Share at the time of purchase if the purchase price exceeds the consolidated NA per Share and conversely will increase the consolidated NA per Share at the time of purchase if the purchase price is less than the consolidated NA per share.

Should the Purchased Shares be held as treasury shares and later resold, the consolidated NA per Share will increase if the Company realises a gain from the resale, and vice-versa.

5.3 Working Capital

The Proposed Renewal of Share Buy-Back Authority will reduce the cash flow and financial resources available for working capital depending on the purchase price and the number of the SNC Shares purchased.

However, the cash flow position and financial resources of the Company will be restored if the Purchased Shares are resold at least at the purchase price.

5.4 Earnings

The effect of the Proposed Renewal of Share Buy-Back Authority on the earnings and EPS of the Group is dependent on the purchase price(s) of the SNC Shares, the number of SNC Shares purchased, and loss in interest income to the Group, or the opportunity cost in relation to other investment opportunities.

On the assumption that the SNC Shares so purchased are treated as treasury shares and subsequently resold, the extent of the effect on earnings of SNC Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest saving arising.

5.5 Dividends

The Proposed Renewal of Share Buy-Back Authority may affect the dividend payment to you, if any, as the Board will take into consideration of the Company's profit, cash flow and the capital commitments before proposing the dividend payment.

5.6 Gearing

The utilisation of external borrowings to implement to the Proposed Renewal of Share Buy-Back Authority will increase the gearing of the Group, if any.

6. HISTORICAL SHARE PRICE

The monthly highest and lowest prices of SNC Shares as traded on Bursa Securities for the past twelve (12) calendar months preceding the LPD are as follows:-

	High	Low
	RM	RM
2022		
April	0.565	0.470
May	0.520	0.480
June	0.510	0.400
July	0.470	0.415
August	0.420	0.325
September	0.400	0.300
October	0.330	0.305
November	0.365	0.310
December	0.385	0.325
2023		
January	0.410	0.310
February	0.330	0.250
March	0.310	0.250

The last transacted price of SNC Shares on 31 March 2023, was RM0.275.

(Source:shareinvestor.com)

7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company and its shareholders.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution relating to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming Twenty-Eighth ("28th") AGM.

8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The table below illustrates the direct and indirect interests of the Directors and Substantial Shareholder of SNC as at LPD assuming that the Proposed Renewal of Share Buy-Back Authority is implemented in full and all the shares so purchased are cancelled under the following scenarios:-

8.1 Minimum Scenario: Assuming none of the 115,764,499 outstanding Warrants B and 9,018,825 Outstanding Employees' share option scheme ("ESOS") Options are exercised into new Shares.

	As at the LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%	No. of ordinary shares	%	No. of ordinary shares	%
<u>Substantial shareholders</u>								
Mayapada Capital Sdn Bhd	64,089,200	27.66	-	-	64,089,200	30.73	-	-
Biotrend Estate Sdn Bhd	32,411,600	13.99	-	-	32,411,600	15.54	-	-
Dato' Sri (DR) Sow Chin Chuan	12,255,100	5.29	11,587,600*	5.00	12,255,100	5.88	11,587,600*	5.56
Biotrend Resources Sdn Bhd	10,084,400	4.35	32,411,600^	13.99	10,084,400	4.84	32,411,600^	15.54
Datin' Sri Chu Kim Guek	2,534,400	1.09	21,308,300*	9.20	2,534,400	1.22	21,308,300*	10.22
Emily Sow Mei Chet	2,534,400	1.09	21,308,300*	9.20	2,534,400	1.22	21,308,300*	10.22
Edward Sow Yuen Seng	2,534,400	1.09	21,308,300*	9.20	2,534,400	1.22	21,308,300*	10.22
Eric Sow Yong Shing	2,234,400	0.96	21,608,300*	9.32	2,234,400	1.07	21,608,300*	10.36
Dato' Goh Soo Wee	1,290,000	0.56	64,089,200#	27.66	1,290,000	0.62	64,089,200#	30.73
Edmund Sow Yong Ming	900,000	0.39	22,942,700*	9.90	900,000	0.43	22,942,700*	11.00
Eugene Sow Chuan Sheng	850,000	0.37	22,992,700*	9.92	850,000	0.41	22,992,700*	11.02
Teh Kok Liang	-	-	64,089,200#	27.66	-	-	64,089,200#	30.73
Nazari Bin Adzim	-	-	42,496,000^^	18.34	-	-	42,496,000^^	20.38
Chin Wan Ling	-	-	42,496,000^^	18.34	-	-	42,496,000^^	20.38
Fong Hui Fong	-	-	42,496,000^^	18.34	-	-	42,496,000^^	20.38

	As at the LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%	No. of ordinary shares	%	No. of ordinary shares	%
Directors								
Dato' Goh Soo Wee	1,290,000	0.56	64,089,200#	27.66	1,290,000	0.62	64,089,200#	30.73
Teh Kok Liang	-	-	64,089,200#	27.66	-	-	64,089,200#	30.73
Abd Rauf Bin Abd Rahim	-	-	-	-	-	-	-	-
Dato' Sri Yeong Joo Hock	3,239,900	1.40	-	-	3,239,900	1.55	-	-
Kong June Hon	396,000	0.17	-	-	396,000	0.19	-	-

Notes

(*) *Deemed Interest by virtue of the direct shareholdings held by his/her family members pursuant to Section 59(11)(c) of the Act.*

(#) *Deemed Interest by virtue of his direct shareholding in Mayapada Capital Sdn Bhd pursuant to Section 8 of the Act.*

(^) *Deemed Interest by virtue of its direct shareholding in Biotrend Estate Sdn Bhd pursuant to Section 8 of the Act.*

(^^) *Deemed Interest by virtue of his/her direct shareholding in Biotrend Resources Sdn Bhd, the holding company of Biotrend Estate Sdn Bhd pursuant to Section 8 of the Act.*

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8.2 Maximum Scenario: Assuming all the 115,764,499 outstanding Warrants B and 9,018,825 Outstanding Employees' share option scheme ("ESOS") Options are exercised into new Shares.

	As at the LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%	No. of ordinary shares	%	No. of ordinary shares	%
<u>Substantial shareholders</u>								
Mayapada Capital Sdn Bhd	64,089,200	17.98	-	-	79,089,200	24.65	-	-
Biotrend Estate Sdn Bhd	32,411,600	9.09	-	-	47,629,900	14.84	-	-
Dato' Sri (DR) Sow Chin Chuan	12,255,100	3.44	11,587,600*	3.25	12,757,900	3.98	17,156,400*	5.35
Biotrend Resources Sdn Bhd	10,084,400	2.83	32,411,600^	9.09	10,818,400	3.37	33,145,600^	10.33
Datin' Sri Chu Kim Guek	2,534,400	0.71	21,308,300*	5.98	3,801,600	1.18	26,112,700*	8.14
Emily Sow Mei Chet	2,534,400	0.71	21,308,300*	5.98	3,001,600	0.94	26,112,700*	8.14
Edward Sow Yuen Seng	2,534,400	0.71	21,308,300*	5.98	3,801,600	1.18	27,379,900*	8.53
Eric Sow Yong Shing	2,234,400	0.63	21,608,300*	6.06	3,501,600	1.09	27,679,900*	8.63
Dato' Goh Soo Wee	1,290,000	0.36	64,089,200#	17.98	1,290,000	0.40	79,089,200#	24.65
Edmund Sow Yong Ming	900,000	0.25	22,942,700*	6.44	1,400,000	0.44	22,942,700*	7.15
Eugene Sow Chuan Sheng	850,000	0.24	22,992,700*	6.45	850,000	0.26	22,992,700*	7.17
Teh Kok Liang	-	-	64,089,200#	17.98	-	-	79,089,200#	24.65
Nazari Bin Adzim	-	-	42,496,000^^	11.92	-	-	42,496,000^^	13.24
Chin Wan Ling	-	-	42,496,000^^	11.92	-	-	42,496,000^^	13.24
Fong Hui Fong	-	-	42,496,000^^	11.92	-	-	42,496,000^^	13.24
<u>Directors</u>								
Dato' Goh Soo Wee	1,290,000	0.36	64,089,200#	17.98	1,290,000	0.40	79,089,200#	24.65
Teh Kok Liang	-	-	64,089,200#	17.98	-	-	79,089,200#	24.65
Abd Rauf Bin Abd Rahim	-	-	-	-	-	-	-	-
Dato' Sri Yeong Joo Hock	3,239,900	0.91	-	-	5,739,900	1.79	-	-
Kong June Hon	396,000	0.11	-	-	396,000	0.12	-	-

Notes

- (*) Deemed Interest by virtue of the direct shareholdings held by his/her family members pursuant to Section 59(11)(c) of the Act.*
- (#) Deemed Interest by virtue of his direct shareholding in Mayapada Capital Sdn Bhd pursuant to Section 8 of the Act.*
- (^) Deemed Interest by virtue of its direct shareholding in Biotrend Estate Sdn Bhd pursuant to Section 8 of the Act.*
- (^^) Deemed Interest by virtue of his/her direct shareholding in Biotrend Resources Sdn Bhd, the holding company of Biotrend Estate Sdn Bhd pursuant to Section 8 of the Act.*

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9. AGM

The 28th AGM will be held at Studio 1, Level 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Wednesday, 14 June 2023 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposed Renewal of Share Buy-Back Authority.

If you are unable to attend and vote in person at our 28th AGM, you may complete and return the Form of Proxy as enclosed in the Annual Report 2022 in accordance with the instruction therein as soon as possible and in any event so as to arrive at the Share Registrar of the Company, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding our AGM or any adjournment thereof.

The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Share Registrar of the Company, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding our AGM or any adjournment thereof.

10. FURTHER INFORMATION

Shareholders are advised to refer to the Annual Report 2022 for further information.

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PART B

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS'
MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**



SAND NISKO CAPITAL BERHAD
[Registration No. 199501010609 (339810-A)]
(Incorporated in Malaysia)

Registered Office:
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur

28 April 2023

The Board of Directors:

Dato' Goh Soo Wee (Executive Chairman)
Song Peng Wei (Executive Director)
Dato' Sri Yeong Joo Hock (Non-Independent Non-Executive Director)
Teh Kok Liang (Non-Independent Non-Executive Director)
Kong June Hon (Independent Non-Executive Director)
Dato' Chong Mun Phing (Independent Non-Executive Director)
Cheong Yee Peng (Independent Non-Executive Director)

To: The Shareholders of Sand Nisko Capital Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

1. INTRODUCTION

At the Twenty-Seventh Annual General Meeting ("27th AGM") of the Company held on 14 June 2022, the shareholders, had inter-alia, granted a renewal of shareholders' mandate for SNC Group to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for SNC Group's day-to-day operations, in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders. The said mandate shall expire at the conclusion of the forthcoming AGM which will be held on 14 June 2023, unless by a resolution passed at the meeting, the authority is renewed.

Accordingly, the Board had on 25 April 2023 announced to Bursa Securities that the Company proposes to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate as set out in Part B, Section 2.5 of this Circular for the RRPTs, which are necessary for the day-to-day operations and are in the ordinary course of business of the SNC Group pursuant to Paragraph 10.09 of the Listing Requirements.

THE PURPOSE OF PART B OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO TO BE TABLED AT A SPECIAL BUSINESS AT THE FORTHCOMING 28th AGM.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART B OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING 28th AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 The Listing Requirements

Pursuant to Paragraph 10.09 (2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPT subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with an issued capital of less than RM60 million:-
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
 - (b) the percentage ratio of such RRPT is 1% or more.whichever is the lower;
- (iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholder mandate, the relevant related party must comply with the following requirements:-
 - (a) an Interested Related Party must not vote on the resolution in respect of the RRPTs;
 - (b) an Interested Related Party who is a director or major shareholder must ensure that persons connected with it abstain from voting on the resolution in respect of the RRPTs; and
 - (c) where the Interested Related Party is a person connected with a director or major shareholder, such person must not vote on the resolution in respect of the RRPTs.
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Accordingly, the Board proposes to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate. The Proposed Renewal of Shareholders' Mandate will allow the SNC Group, in the normal course of business, to enter into existing and new RRPTs referred to in Part B, Section 2.5 and 2.6 respectively of this Circular, provided that such transactions are made at arm's length, on SNC's normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of SNC.

2.2 Validity Period on the Proposed Renewal of Shareholders' Mandate

The authority to be conferred pursuant to the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by an ordinary resolution passed at a general meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

2.3 Principal Activities

As at LPD, the principal activities of SNC are investment holding and provision of management services to its subsidiaries whilst the principal activities of its subsidiaries are as follows:-

Company	Effective Equity Interest	Principal activities
LCM	100%	Manufacturing of furniture and furniture parts, furniture exporting and trading, investment property
LCI	100%	Sales and trading of logs, CIDB G7 construction, management and construction related services
SNCF	100%	Dormant Company
SNC Green	Bio 100%	Dormant Company

It is envisaged that, in the normal course of SNC Group's businesses, transactions of revenue or trading nature between companies in SNC Group and the Related Parties, which are necessary for day-to-day operations, will continue to occur.

2.4 Amount Due and Owing to SNC Group by Related Parties

As at LPD, there was no amount due and owing by the Related Parties to SNC Group pursuant to the RRPTs which exceeded the credit term granted. All amounts outstanding were settled within the credit terms granted.

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2.5 Existing mandates on the RRPTs obtained at the last AGM

The details of the RRPTs are set out below:-

Transacting Related Party	Nature of Transactions with SNC Group	Transacting Company in SNC Group	Interested Major Shareholder/ Director	Nature of relationship with Related Party	Estimated Aggregate Value as Disclosed in the Last Circular to Shareholders ("Estimated Value") (RM'000)	Actual value transacted up to LPD (RM'000)	Estimated Value⁽¹⁾ from Forthcoming AGM to the Next AGM (RM'000)
DPS Group/ DPSR	Purchase of furniture related components, furniture parts, cushion seats from DPS Group	SNC Group	Please refer to 2.6	<p>Dato' Sri Sow is a substantial shareholder of SNC via his direct shareholdings of 5.29% and indirect shareholding of 5% in SNC.</p> <p>He is the Executive Chairman of DPS and major shareholder of DPS via his direct shareholding of 30.73% and his indirect shareholding of 1.85% in DPS.</p> <p>He is also the Director of DPSR.</p>	5,000	-	5,000

2.5 Existing mandates on the RRPTs obtained at the last AGM

The details of the RRPTs are set out below:-

Transacting Related Party	Nature of Transactions with SNC Group	Transacting Company in SNC Group	Interested Major Shareholder/ Director	Nature of relationship with Related Party	Estimated Aggregate Value as Disclosed in the Last Circular to Shareholders ("Estimated Value") (RM'000)	Actual value transacted up to LPD (RM'000)	Estimated Value ⁽¹⁾ from Forthcoming AGM to the Next AGM (RM'000)
DPS Group/ DPSR	Sales of other furniture components, parts, properties and services to DPS Group	SNC Group	Please refer to 2.6	<p>Dato' Sri Sow is a substantial shareholder of SNC via his direct shareholdings of 5.29% and indirect shareholding of 5% in SNC.</p> <p>He is the Executive Chairman of DPS and major shareholder of DPS via his direct shareholding of 30.73% and his indirect shareholding of 1.85% in DPS.</p> <p>He is also the Director of DPSD and DPSP.</p>	3,000	2,419	3,000

2.5 Existing mandates on the RRPTs obtained at the last AGM

The details of the RRPTs are set out below:-

Transacting Related Party	Nature of Transactions with SNC Group	Transacting Company in SNC Group	Interested Major Shareholder/ Director	Nature of relationship with Related Party	Estimated Aggregate Value as Disclosed in the Last Circular to Shareholders ("Estimated Value") (RM'000)	Actual value transacted up to LPD (RM'000)	Estimated Value ⁽¹⁾ from Forthcoming AGM to the Next AGM (RM'000)
DPS Group/DPSR/DPSP/DPSP	Provision of properties, development, construction, supplies, trading and related services to/by DPS Group/DPSR/DPSP/DPSP	SNC Group	Please refer to 2.6	Dato' Sri Sow is a shareholder of SNC with a shareholding of 5.29%. He is also the Executive Chairman of DPS Group and Director of DPSR, DPSP, DPSP	60,000	10,135	60,000
DPS Group/DPSR/DPSP/DPSP	Provision of management, trading service, contract service charge, repair, maintenance, renovation and extension services on factory premises to/by DPS Group/DPSR/DPSP/DPSP	SNC Group	Please refer to 2.6	Dato' Sri Sow is a substantial shareholder of SNC via his direct shareholdings of 5.29% and indirect shareholding of 5% in SNC. He is the Executive Chairman of DPS and major shareholder of DPS via his direct shareholding of 30.73% and his indirect shareholding of 1.85% in DPS. He is also the Director of DPSR, DPSP, DPSP.	5,000	1,112	5,000

2.5 Existing mandates on the RRPTs obtained at the last AGM

The details of the RRPTs are set out below:-

Transacting Related Party	Nature of Transactions with SNC Group	Transacting Company in SNC Group	Interested Major Shareholder/ Director	Nature of relationship with Related Party	Estimated Aggregate Value as Disclosed in the Last Circular to Shareholders ("Estimated Value") (RM,000)	Actual value transacted up to LPD (RM'000)	Estimated Value ⁽¹⁾ from Forthcoming AGM to the Next AGM (RM'000)
DPS Group/DPSR/ DPSD/DPSP	Renting of factory premises to/by SNC Group	SNC Group	Please refer to 2.6	<p>Dato' Sri Sow is a substantial shareholder of SNC via his direct shareholdings of 5.29% and indirect shareholding of 5% in SNC.</p> <p>He is the Executive Chairman of DPS and major shareholder of DPS via his direct shareholding of 30.73% and his indirect shareholding of 1.85% in DPS.</p> <p>He is also the Director of DPSR, DPSD, DPSP.</p>	2,000	-	2,000

2.5 Existing mandates on the RRPTs obtained at the last AGM

The details of the RRPTs are set out below:-

Transacting Related Party	Nature of Transactions with SNC Group	Transacting Company in SNC Group	Interested Major Shareholder/ Director	Nature of relationship with Related Party	Estimated Aggregate Value as Disclosed in the Last Circular to Shareholders ("Estimated Value") (RM,000)	Actual value transacted up to LPD (RM'000)	Estimated Value ⁽¹⁾ from Forthcoming AGM to the Next AGM (RM'000)
ECSB, ZMSB	Provision of property development, construction, supplies, trading and related services to/by ECSB, ZMSB	SNC Group	Please refer to 2.6	<p>Datin Sri Chu and Edward are the Director and major shareholders of ECSB.</p> <p>Datin' Sri Chu is a substantial shareholder of SNC with her direct shareholding of 1.09% and her indirect shareholding of 12.43% in SNC.</p> <p>Edward is a substantial shareholder of SNC with his direct shareholding of 1.09% and his indirect shareholding of 9.20% in SNC.</p> <p>Eric and Emily are the Directors of ZMSB and Eric is a major shareholder of ZMSB.</p> <p>Eric is a substantial shareholder of SNC with his direct shareholding of 1.09% and indirect shareholding of 9.32% in SNC</p>	10,000	301	10,000

Note:

N/A Not applicable

- (1) *The estimated values as set out above are based on management's estimates of the value of transactions to be undertaken for the period from the forthcoming AGM to the next AGM. However, the value of transactions may be subject to changes. Disclosure will be made in the Annual Report of the Company for FYE 31 December 2022 of the actual breakdown of the aggregate value of transactions contemplated as required under Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements.*

Save as disclosed above and in Section 2.6 of this Circular, there were no other persons deemed connected to the Interested Directors and Interested Major Shareholders. As at LPD, there was no deviation of the actual value that exceeded the estimated value by 10% or more in the existing mandate.

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2.6 Major Shareholders and Persons Connected

The shareholdings of the Interested Related Parties relating to the RRPTs are set out below:-

Interested Related Party	DPS		ECSB		DPSR		ZMSB		DPSD		DPSP	
	Direct %	Indirect %	Direct %	Indirect %	Direct %	Indirect %	Direct %	Indirect %	Direct %	Indirect %	Direct %	Indirect %
Dato' Sri Sow	30.73 ⁽¹⁾	1.85	-	-	91.42 ⁽⁶⁾	8.58 ⁽⁶⁾	-	-	90.00 ⁽¹⁰⁾	10.00	90.00 ⁽¹²⁾	10.00
Datin Sri Chu	1.82	30.76 ⁽³⁾	25.71 ⁽⁴⁾	74.29 ⁽⁴⁾	8.58 ⁽⁶⁾	91.42 ⁽⁶⁾	-	-	10.00 ⁽¹⁰⁾	90.00	2.50 ⁽¹²⁾	90.00
Edward	-	32.58 ⁽²⁾	74.29 ⁽⁴⁾	25.71 ⁽⁴⁾	-	100.00 ⁽⁷⁾	-	-		100.00 ⁽¹¹⁾	2.50 ⁽¹²⁾	97.50
Eric	0.03	32.55 ⁽³⁾	-	-	-	-	100.00 ⁽⁸⁾	-				
Emily	-	32.58 ⁽³⁾	-	100.00 ⁽⁵⁾	-	100.00 ⁽⁷⁾	-	100.00 ⁽⁹⁾		100.00 ⁽¹¹⁾		
Edmund	-	32.58 ⁽³⁾	-	-	-	100.00 ⁽⁷⁾	-	-		100.00 ⁽¹¹⁾	2.50 ⁽¹²⁾	97.50
Eugene	-	32.58 ⁽³⁾	-	-	-	100.00 ⁽⁷⁾	-	-		100.00 ⁽¹¹⁾	2.50 ⁽¹²⁾	97.50

Notes

(1) Dato' Sri Sow is the Major Shareholder and the Executive Chairman of DPS.

(2) Edward is the Managing Director of DPS.

(3) Datin' Sri Chu and Emily are the Executive Directors of DPS, while Eric, Edmund and Eugene are the Directors of subsidiaries, Eric is also minor Shareholder of DPS.

(4) Datin' Sri Chu and Edward are the Directors and Major Shareholders of ECSB.

(5) Emily is the Director of ECSB.

(6) Dato' Sri Sow and Datin' Sri Chu are the directors and Major shareholders of DPSR.

(7) Edward, Emily and Edmund are the Directors of DPSR.

(8) Eric is the Director and Major Shareholder of ZMSB

(9) Emily is the Director of ZMSB.

(10) Dato' Sri Sow and Datin' Sri Chu are the Directors and Major Shareholders of DPSD.

(11) Edward, Edmund, Emily and Eugene are the Directors of DPSD.

(12) Dato' Sri Sow, Datin' Sri Chu, Edward, Emily and Eugene are the Directors and Major Shareholders of DPSP.

2.7 Review Procedures and Guidelines in relation to RRPTs

To ensure that RRPTs are conducted on normal commercial terms and transaction prices consistent with the Company's usual business practices and policies, which are not more favourable to Related Parties than those generally available to the public and are not detrimental to the Company's minority shareholders, the Audit Committee has been tasked with the review and approval of such transactions.

The Audit Committee has established the following procedures and guidelines for the review and approval of RRPTs:-

- (i) A list of the Related Parties is established and circulated annually to the heads of each finance division within the Group, who shall monitor and ensure that all RRPTs to be entered into by the Group are reported and forwarded to the Audit Committee, which then ensures that the RRPTs are undertaken on an arm's length basis, on terms which are not more favourable to the Related Parties than those generally available to the public and which are not to be detrimental to the Company's minority shareholders.
- (ii) The Group is made aware of the requirements to monitor, and shall put in place proper processes or systems to record and report on, all RRPTs for compilation and reporting to the Audit Committee.
- (iii) Proper records are maintained at the Company and each of its subsidiaries to capture all RRPTs so that all RRPTs entered pursuant to the shareholders' mandate are adequately discussed.
- (iv) All RRPTs are reviewed by the Audit Committee on a quarterly basis. In its review of such transactions, the Audit Committee may, as it deems fit, request for additional information from independent sources.
- (v) The internal audit plan shall incorporate a review of Related Party Transactions to ensure that all the relevant approvals for the RRPTs have been obtained.
- (vi) The Audit Committee shall review, on an annual basis, the internal audit reports pertaining to the RRPTs to ascertain that the approved procedures and guidelines to monitor the RRPTs have been complied with.
- (vii) The Board and Audit Committee have overall responsibility for determining whether the procedures and guidelines on the RRPTs are appropriate and sufficient. An annual review of the RRPT procedures and guidelines is to be carried out by the Audit Committee. If, during the annual review, the Audit Committee is of the view that the RRPT procedures and guidelines are no longer valid or are inadequate to ensure that the RRPTs are made on an arm's length basis on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the Company's minority shareholders, the Audit Committee shall have the discretion to discharge, vary, modify the existing procedures and guidelines or implement new or additional procedures and guidelines, without management's prior approval, provided that such amended, varied, modified, new or additional procedures and guidelines are no less stringent than the existing ones.

- (viii) At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the pricing of any RRPT entered into shall be determined based on usual business practices and policies of the Group to ensure that the RRPTs are not detrimental to the Group.

- (ix) In accordance with the Listing Requirements, disclosure in relation to a breakdown of the aggregate value of the RRPTs entered into during the financial year based on, amongst others, the following information:-
 - (a) the type of the RRPT; and
 - (b) the names of the Related Parties involved in each type of RRPTs made and their relationship with the Company.

will be made in the Company's annual report for the financial year during which the shareholders' mandate are in force.

- (x) Where any Director or Audit Committee has an interest (directly or indirectly) in any RRPT, he/she must declare his/her interest in the RRPT and abstain from participation in the decision making of the Board or Audit Committee on the said RRPT.
- (xi) Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain the Proposed Renewal of Shareholders' Mandate, the Interested Directors, Interested Major Shareholders or Persons Connected with them must not vote on the resolution in respect of the RRPT, and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the transactions.
- (xii) An Interested Director or Interested Major Shareholders must ensure that Persons Connected with them will abstain from voting on the resolution approving the transactions.

2.8 Statement by the Company's Audit Committee

The Audit Committee has reviewed the procedures of the Proposed Renewal of Shareholders' Mandate and is satisfied that the review procedures are sufficient to ensure that transactions are made at arm's length and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and on terms not to the detriment of the Company's minority shareholders.

The Audit Committee is also satisfied that the Group has in place adequate procedures and processes to monitor, track and identify the RRPTs in a timely and orderly manner. The Audit Committee shall review these procedures and processes on a yearly basis.

2.9 Guidelines on Thresholds of Authority

There are no specific thresholds for approval of RRPTs within the Group. However, RRPT below RM1.0 million each in value will be subject to review of the senior management and tabled for review by the Audit Committee on a quarterly basis, while RRPT equal to or exceeding RM1.0 million each in value will be subject to review by the Audit Committee and approval by the Board.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The RRPTs entered or to be entered into by the Group are intended to meet business needs at the best possible terms and to enhance the Group's ability to explore beneficial business opportunities. The Group should be able to have access to all available markets and products and services provided by the suppliers or vendors including the Related Parties. They are recurring transactions of revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be determined by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPT.

The obtaining of the general mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT arise, thereby reducing substantially administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

The RRPTs entered into with the Related Parties represent business decisions, which are undertaken for legitimate and bona fide business purposes, after a thorough assessment of the merits and increased efficiency of these transactions, pursuant to the review procedures and guidelines as outlined in Section 2.7 above.

The RRPTs are transacted in the ordinary course of business, made on an arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of the Company's minority shareholders.

4. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have effect on the issued share capital, NA, EPS and substantial shareholding of the Company.

5. APPROVAL REQUIRED

The Proposals are subject to your approval being obtained at the forthcoming AGM to be convened.

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6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

The direct and indirect shareholdings of the Interested Directors and Interested Major Shareholders in the Company as at the LPD are as follows:-

	Direct Interest		Indirect Interest	
	No. of ordinary shares	%	No. of ordinary shares	%
Substantial shareholders				
Mayapada Capital Sdn Bhd	64,089,200	27.66	-	-
Biotrend Estate Sdn Bhd	32,411,600	13.99	-	-
Dato' Sri (DR) Sow Chin Chuan	12,255,100	5.29	11,587,600*	5.00
Biotrend Resources Sdn Bhd	10,084,400	4.35	32,411,600^	13.99
Datin Sri Chu Kim Guek	2,534,400	1.09	21,308,300*	9.20
Emily Sow Mei Chet	2,534,400	1.09	21,308,300*	9.20
Edward Sow Yuen Seng	2,534,400	1.09	21,308,300*	9.20
Eric Sow Yong Shing	2,234,400	0.96	21,608,300*	9.32
Dato' Goh Soo Wee	1,290,000	0.56	64,089,200#	27.66
Edmund Sow Yong Ming	900,000	0.39	22,942,700*	9.90
Eugene Sow Chuan Sheng	850,000	0.37	22,992,700*	9.92
Teh Kok Liang	-	-	64,089,200#	27.66
Nazari Bin Adzim	-	-	42,496,000^^	18.34
Chin Wan Ling	-	-	42,496,000^^	18.34
Fong Hui Fong	-	-	42,496,000^^	18.34
Directors				
Dato' Goh Soo Wee	1,290,000	0.56	64,089,200#	27.66
Teh Kok Liang	-	-	64,089,200#	27.66
Abd Rauf Bin Abd Rahim	-	-	-	-
Dato' Sri Yeong Joo Hock	3,239,900	1.40	-	-
Kong June Hon	396,000	0.17	-	-

Notes

(*) Deemed Interest by virtue of the direct shareholdings held by his/her family members pursuant to Section 59(11)(c) of the Act.

(#) Deemed Interest by virtue of his direct shareholding in Mayapada Capital Sdn Bhd pursuant to Section 8 of the Act.

(^) Deemed Interest by virtue of its direct shareholding in Biotrend Estate Sdn Bhd pursuant to Section 8 of the Act.

(^^) Deemed Interest by virtue of his/her direct shareholding in Biotrend Resources Sdn Bhd, the holding company of Biotrend Estate Sdn Bhd pursuant to Section 8 of the Act.

The abovementioned Interested Substantial Shareholders have abstained and will continue to abstain from the Board's deliberation and voting in respect of the Proposed Renewal of Shareholders' Mandate in which they are deemed interested. The Interested Substantial Shareholders of the Company namely, Dato' Sri Sow, Datin Sri Chu, Emily, Edward, Edmund, Eric and Eugene will abstain from voting in respect of their direct and indirect shareholdings on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate and undertake to ensure that the Persons Connected to them will also abstain from voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the AGM to be convened.

Save as disclosed above, none of the other Directors or Major Shareholders has any interest, direct and/or indirect, in the Proposed Renewal of Shareholders' Mandate. The Board is not aware of any Persons Connected to the Directors or Major Shareholders has any interest, direct or indirect in the Proposed Renewal of Shareholders' Mandate.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the SNC Group.

Accordingly, the Board recommend that shareholders vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

8. AGM

The 28th AGM will be held at Studio 1, Level 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Wednesday, 14 June 2023 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposed Renewal of Shareholders' Mandate.

If you are unable to attend and vote in person at our 28th AGM, you may complete and return the Form of Proxy as enclosed in the Annual Report 2022 in accordance with the instruction therein as soon as possible and in any event so as to arrive at the Share Registrar of the Company, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding our AGM or any adjournment thereof.

The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Share Registrar of the Company, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding our AGM or any adjournment thereof.

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9. FURTHER INFORMATION

You are requested to refer to the Annual Report 2022 for further information.

Yours faithfully
For and on behalf of the Board of Directors
SAND NISKO CAPITAL BERHAD

DATO' GOH SOO WEE
Executive Chairman

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1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given 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 false or misleading.

2. MATERIAL CONTRACTS

As at the LPD, there are no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or any of its subsidiaries within the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant which may have a material adverse effect on the financial position or business of the Group, and to the best of the Board's knowledge and belief, the Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group:

(a) *Civil Suit No. NA-22NCvC-20-04/2022 between Sand Nisko ("Company" or "Plaintiff") v Loh Chee Keong (as executor in the estate of Loh Siow Chan @ Loo Su Cheong ("LSC"))*

On 18 July 2017, the Company received a notice from the solicitors of LSC to claim alleged debt amounting to RM4,652,951.22 ("Alleged Debt") by way of guarantee to Len Cheong Furniture Sdn Bhd ("LCF").

The Company has on 4 April 2022 filed a Writ of Summons and Statement of Claim against the executor of the estate of LSC ("Defendant") vide Seremban High Court Suit No. NA-22NCVC-20-04/2022 for inter alia, the following relief:

- (i) a declaration that the transactions with regard to the Purported Loan provided by LSC to the Company is illegal, invalid, null and void;
- (ii) a declaration that the Resolution of the Company dated 7 January 2004 is revoked and of no effect;
- (iii) a declaration that the sum of RM5,952,951.22 is not due and owing by the Company to LSC;
- (iv) an order that the estate of LSC pays the sum of RM1,743,748.06 to the Company, being the amounts previously paid to LSC by the Company based on the Impugned Resolution;
- (v) damages to be assessed;
- (vi) interest;
- (vii) costs; and
- (viii) further or other relief as the Court deems fit and proper.

During the case management on 23 May 2022, the Defendant had filed the striking out application instead of their defence. However, the Court had directed for the Defendant to file their defence and for the Plaintiff to file the reply to the Defendant's striking out application.

The Defendant has filed an application to strike out the Plaintiff's Writ and Statement of Claim and the parties have filed their respective affidavits and written submissions.

During the hearing on 24 August 2022, the Seremban High Court has made an Order to allow the Defendant's application to strike out the Writ of Summons and Statement of Claim dated 4 April 2022 with costs.

The Company has filed an appeal via the Notice of Appeal dated 29 September 2022, against the decision of the Seremban High Court dated 24 August 2022 that allowed the Defendant's application to strike out the Writ of Summons and Statement of Claim dated 4 April 2022.

The hearing date of the motion regarding application for extension of time to file the Notice of Appeal is fixed on 20 February 2023.

The case management is fixed on 10.05.2023.

(b) Winding Up Petition No. WA28NCC-797-09/2022 between Sand Nisko ("Company" or "Respondent") v Loh Chee Keong (as executor in the estate of Loh Siow Chan @ Loo Su Cheong ("Petitioner"))

The winding-up petition dated 30 September 2022 was presented to the Kuala Lumpur High Court by the Petitioner through their solicitors. The Petitioner is claiming the following on the petition:

- (i) the winding up of the Company under the provisions of the Act;
- (ii) that Chong Chuan Long (NRIC No. 710625-10-5475) [Approval No.02681/01/2024P] of C L Chong & Co. be appointed as liquidator of the Company;
- (iii) that the remuneration of Chong Chuan Long as the liquidator of the Company shall be on a time-cost basis or as provided under the Act and the Companies (Winding up) Rules 1972, and be paid out of the assets of the Company;
- (iv) that the cost of the petition be paid out of the assets of the Company to the Petitioner; and
- (v) other order may be made in the premises as shall be just by the Court.

The Petitioner states amongst others as follows:

- (i) the Company's letter of undertaking dated 7 January 2004 and the directors' circular resolution duly passed on 7 January 2004 ("Resolution") wherein the Company has agreed and undertaken to settle the sum of RM4,652,951.22 to the Petitioner in accordance with the following formula: "15% of the net PAT of the Company and the Subsidiaries for the financial year ending as reflected in the final audited profit and loss accounts subsequent to 31 December 2003, within 30 days from the date of the Company's accounts that is approved by its Board ("Formula"). The mode of repayment shall continue annually until the sum of RM4,652,951.22 is fully settled";

- (ii) for the FYE 31 December 2021 which was tabled and approved at the Company's Annual General Meeting, the Company has declared a net profit of RM1,426,938.00. Accordingly, the Company is indebted to the Petitioner the repayment sum of RM214,040.70 calculated based on the Formula;
- (iii) the computation of the Formula was held by the Seremban Sessions Court on 11 November 2011 to be valid, binding and enforceable against the Company. This decision was further affirmed by the Seremban High Court on 18 July 2012 and the Court of Appeal on 5 October 2012;
- (iv) further the Company's recent action to invalidate and declare the Resolution and Formula as null and void was struck out by the Seremban High Court on 24 August 2022 on grounds of res judicata with costs of RM5,000.00 and allocator fee of RM200.00; and
- (v) there is no appeal filed against the Seremban High Court Order dated 24 August 2022.

The validity of the Resolution is being disputed by the Company and the Company will be filing an Affidavit in Opposition against the winding-up petition.

The hearing date of the petition is fixed on 17.05.2023.

4. MATERIAL COMMITMENT

As at the LPD, the Board is not aware of any material commitment, incurred or known to be incurred, which may have a material impact on the results or financial position of the Group.

5. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact in the ability of the Group to meet their obligations as and when they fall due.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the following documents is available for inspection at our registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of our forthcoming AGM:

- (i) Constitution of SNC;
- (ii) Our audited consolidated financial statements for the two (2) financial years ended 31 December 2021 and 31 December 2022; and
- (iii) The relevant cause papers in respect of the Material Litigation set out in Section 3 in this Appendix.