

SINO HUA-AN INTERNATIONAL BERHAD ("SHIB" OR "COMPANY")

- (i) **PROPOSED DEBT SETTLEMENT**
- (ii) **PROPOSED PRIVATE PLACEMENT**

(COLLECTIVELY "PROPOSALS")

(Unless otherwise stated or redefined, all abbreviations and definitions used herein shall have the same meanings as those used in the Company's announcements dated 21 April 2020, 28 May 2020, 30 June 2020, 14 July 2020, 16 July 2020 and 17 July 2020 in relation to the Proposals ("Announcements"))

1. INTRODUCTION

Reference is made to the announcement on the additional listing application for new SHIB Shares to be issued pursuant to the Proposals set out in the announcement dated 16 July 2020 ("**ALA**").

After assessing the current market conditions and the Company's funding requirements, the Board proposes to revise the Proposals as follows:

No	Proposals	Revised Proposals
(i)	Proposed Creditors Debt Settlement	<ul style="list-style-type: none">▪ Remains unchanged.▪ Shareholders' approval for the Proposed Creditors Debt Settlement will be sought after at an extraordinary general meeting to be convened.
(ii)	Proposed private placement of up to 172,817,600 new Shares, representing approximately 15.13% of the Company's total number of issued Shares (excluding treasury shares, if any)	Proposed private placement of up to 236,461,500 new Shares (" Placement Shares "), representing approximately 20.00% of the Company's total number of issued Shares (excluding treasury shares, if any) (" Proposed Private Placement ").

The Board has resolved to increase the issue size of the Proposed Private Placement which shall now involve the issuance of up to 236,461,500 Placement Shares, representing approximately 20.00% of the Company's total number of issued shares after taking into account inter-alia the demand for SHIB Shares.

The Proposed Private Placement will be undertaken in accordance with the 20% General Mandate. The Company had obtained the New Shareholders' Mandate from its shareholders at its 14th AGM convened on 6 July 2020, to authorise the Board to allot and issue new ordinary shares in SHIB not exceeding 20% of the total issued shares of the Company.

In view of the above revision, SHIB will withdraw the ALA submitted on 16 July 2020 and resubmit a revised ALA to Bursa Securities.

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

2. DETAILS OF THE PROPOSED DEBT SETTLEMENT

For avoidance of doubt, the Proposed Creditors Debt Settlement as well as the terms for the Creditors Settlement Agreements will remain unchanged. The details of the Proposed Creditors Debt Settlement are reproduced below for the ease of reference to the Proposals.

2.1 Details of the Proposed Creditors Debt Settlement

On 21 April 2020, the Company has entered into 3 Creditors Settlement Agreements with each of the Creditor respectively, to settle the Creditors Settlement Amount owing by the Company and/or its subsidiary to the Creditors based on the cut-off date as at 20 April 2020, via the issuance of the Creditors Settlement Shares at the Creditors Settlement Issue Price of RM0.0629.

On 19 July 2020, the Company and each of the Creditor had agreed to further extend the period to fulfil the conditions precedent of the Creditors Settlement Agreements from 20 July 2020 to 19 October 2020.

The details of the Creditors Settlement Amount owing to each Creditor and quantity of Creditors Settlement Shares to be received by each Creditor are as follow:-

Creditor	Creditors Settlement Amount (RM)	Quantity of Creditors Settlement Shares To Be Received
CKS	1,500,000	23,847,377
JAB	1,027,700	16,338,633
OSE	972,300	15,457,870
Total	3,500,000	55,643,880

2.1.1 Information of CKS

CKS is a Malaysian aged 42.

CKS is neither:

- (i) an interested director or interested major shareholder of SHIB; nor
- (ii) a person connected to the interested director, major shareholder or chief executive of SHIB.

Details of the amount owing to CKS

Pursuant to the Creditors Settlement Agreement, SHIB shall pay the debt owing by the Company to CKS of RM1,500,000 based on the cut-off date as at 20 April 2020.

The details of the debt owing by the Company to CKS as at 20 April 2020 are as follows:

Period	Purpose	Amount (RM)
Period from 10 April 2020 to 20 April 2020	Working capital advances for SHIB Group	1,500,000
	Interest portion	Nil
Total		1,500,000

2.1.2 Information of JAB

JAB is a Malaysian aged 49.

JAB is neither:

- (i) an interested director or interested major shareholder of SHIB; nor
- (ii) a person connected to the interested director, major shareholder or chief executive of SHIB.

Details of the amount owing to JAB

Pursuant to the Creditors Settlement Agreement, SHIB shall pay the debt owing by its subsidiary to JAB of RM1,027,700 based on the cut-off date as at 20 April 2020.

The details of the debt owing by the subsidiary of SHIB to JAB as at 20 April 2020 are as follows:

Period	Purpose	Amount (RM)
Period from 28 February 2020 to 20 April 2020	Working capital advances for the SHIB Group	1,027,700
	Interest portion	Nil
Total		1,027,700

2.1.3 Information of OSE

OSE is a Singaporean aged 49.

OSE is neither:

- (i) an interested director or interested major shareholder of SHIB; nor
- (ii) a person connected to the interested director, major shareholder or chief executive of SHIB.

Details of the amount owing to OSE

Pursuant to the Creditors Settlement Agreement, SHIB shall pay the debt owing by the Company to OSE of RM972,300 based on the cut-off date as at 20 April 2020.

The details of the debt owing by the Company to OSE as at 20 April 2020 are as follows:

Period	Purpose	Amount (RM)
Period from 3 July 2019 to 20 April 2020	Working capital advances for the SHIB Group	972,300
	Interest portion	Nil
Total		972,300

2.2 Salient terms of the Creditors Settlement Agreements

2.2.1 Settlement agreement between the Company and CKS

The Company had on 21 April 2020 entered into a settlement agreement with CKS for the settlement of a debt amounting to RM1,500,000 owing to CKS and the salient terms of the settlement agreement are set out below:-

Issuance and allotment of Creditors Settlement Share(s)

The debt shall be settled by way of issuance and allotment by the Company to CKS of 23,847,377 Creditors Settlement Shares at an agreed issue price of RM0.0629 per Creditors Settlement Share.

Conditions Precedent

The issuance and allotment of the Creditors Settlement Share(s) is subject to and conditional upon the fulfilment and satisfaction of the conditions precedent within 3 months from the date of the settlement agreement, amongst other, the approval of the Board for the issuance and allotment of the Creditors Settlement Share(s) and the approval in principle of Bursa Securities for the listing and quotation of the Creditors Settlement Share(s).

In the event the conditions precedent or any one of them is not fulfilled or satisfied within 3 months from the date of the settlement agreement or such other extended period as the parties may agree upon, then the settlement agreement shall be terminated and neither party shall have any claims against the other party in respect of the settlement agreement.

Full Settlement

Upon the issuance and allotment of the said Creditors Settlement Share(s), the said debt owing to CKS shall be deemed repaid or settled in full.

Governing Law

The settlement agreement is governed by the laws of Malaysia.

2.2.2 Settlement agreement between the Company and JAB

The Company had on 21 April 2020 entered into a settlement agreement with JAB for the settlement of a debt amounting to RM1,027,700 owing by its wholly owned subsidiary namely Craveat International Sdn Bhd (formerly known as "Bistromalones (PJ) Sdn Bhd") to JAB and the salient terms of the settlement agreement are set out below:-

Issuance and allotment of Creditors Settlement Share(s)

The debt shall be settled by way of issuance and allotment by the Company to JAB of 16,338,633 Creditors Settlement Shares at an agreed issue price of RM0.0629 per Creditors Settlement Share.

Conditions Precedent

The issuance and allotment of the Creditors Settlement Share(s) is subject to and conditional upon the fulfilment and satisfaction of the conditions precedent within 3 months from the date of the settlement agreement, amongst other, the approval of the Board for the issuance and allotment of the Creditors Settlement Share(s) and the approval in principle of Bursa Securities for the listing and quotation of the Creditors Settlement Share(s).

In the event the conditions precedent or any one of them is not fulfilled or satisfied within 3 months from the date of the settlement agreement or such other extended period as the parties may agree upon, then the settlement agreement shall be terminated and neither party shall have any claims against the other party in respect of the settlement agreement.

Full Settlement

Upon the issuance and allotment of the said Creditors Settlement Share(s), the said debt owing to JAB shall be deemed repaid or settled in full.

Governing Law

The settlement agreement is governed by the laws of Malaysia.

2.2.3 Settlement agreement between the Company and OSE

The Company had on 21 April 2020 entered into a settlement agreement with OSE for the settlement of a debt amounting to RM972,300 owing to OSE and the salient terms of the settlement agreement are set out below:-

Issuance and allotment of Creditors Settlement Share(s)

The debt shall be settled by way of issuance and allotment by the Company to OSE of 15,457,870 Creditors Settlement Shares at an agreed issue price of RM0.0629 per Creditors Settlement Share.

Conditions Precedent

The issuance and allotment of the Creditors Settlement Share(s) is subject to and conditional upon the fulfilment and satisfaction of the conditions precedent within 3 months from the date of the settlement agreement, amongst other, the approval of the Board for the issuance and allotment of the Creditors Settlement Share(s) and the approval in principle of Bursa Securities for the listing and quotation of the Creditors Settlement Share(s).

In the event the conditions precedent or any one of them is not fulfilled or satisfied within 3 months from the date of the settlement agreement or such other extended period as the parties may agree upon, then the settlement agreement shall be terminated and neither party shall have any claims against the other party in respect of the settlement agreement.

Full Settlement

Upon the issuance and allotment of the said Creditors Settlement Share(s), the said debt owing to OSE shall be deemed repaid or settled in full.

Governing Law

The settlement agreement is governed by the laws of Malaysia.

2.3 Basis of arriving at the issue price for the Proposed Creditors Debt Settlement

The Creditors Settlement Issue Price has been fixed by the Board at RM0.0629, after taking into consideration the discount of approximately 9.89% to the 5D-VWAMP of SHIB Shares up to and including 20 April 2020, being the last trading day immediately preceding the date of the initial announcement of the Proposed Creditors Debt Settlement, of approximately RM0.0698.

The Board is of the opinion that the Creditors Settlement Issue Price is reasonable after taking into account the above factors.

2.4 Ranking of the Creditors Settlement Shares

The Creditors Settlement Shares shall, upon allotment and issuance, rank pari passu in all respects with the then existing Shares, save and except that the Creditors Settlement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the Creditors Settlement Shares.

2.5 Listing of and quotation for the Creditors Settlement Shares

M&A Securities will resubmit the application to Bursa Securities for the listing of and quotation for the Creditors Settlement Shares to be issued under the Proposed Debt Settlement on the Main Market of Bursa Securities.

2.6 Utilisation of proceeds

The Creditors Settlement Shares is issued as settlement of the amount owing to the Creditors. As such, there will not be any gross proceeds raised from the issuance.

3.0 DETAILS OF THE PROPOSED PRIVATE PLACEMENT

As at 30 July 2020, being the latest practicable date prior to the date of this announcement ("LPD"), SHIB has an issued share capital of RM 1,121,044,734 comprising 1,182,307,817 Shares. In addition, SHIB also has the SHIB RCN to be issued as follows:

Convertible	Units	Amount (RM)	Status
SHIB RCN	RM	142,000,000	To be issued in tranches

The Proposed Private Placement entails the issuance of up to 236,461,500 Placement Shares, representing approximately 20.00% of the Company's total number of issued Shares (excluding treasury shares, if any) after taking into consideration the following:

- (i) the New Shareholders' Mandate; and
- (ii) the existing issued shares of SHIB as at LPD of 1,182,307,817 Shares.

For avoidance of doubt, the number of Placement Shares to be issued under the Proposed Private Placement will not be affected by any increase in the issued share capital of the Company arising from the conversion of the SHIB RCN, if any, by the respective SHIB RCN holders.

3.1 Basis of arriving at the issue price of the Placement Shares

The Proposed Private Placement may be implemented in multiple tranches, if required, within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement, or any extended period as may be approved by Bursa Securities which is subject to prevailing market conditions and depending on investors' interest at the point of implementation.

The Placement Price of each tranche of the Placement Shares, where applicable, shall then be determined separately and fixed by the Board at a later date taking into consideration the prevailing market conditions and the provisions of Paragraph 6.04(a) of the Listing Requirements, at a discount of not more than 10% to the 5D-VWAMP immediately preceding the price fixing date(s). The mechanism to determine the Placement Price will be in

accordance with market-based principles.

For illustration purpose, the Placement Price is assumed to be RM0.1035 each ("**Indicative Placement Price**"). The Indicative Placement Price represents a discount of approximately 10.00% to the 5D-VWAMP of SHIB Shares for the 5 market days up to LPD of RM0.1150.

3.2 Placement arrangement

The Placement Shares are proposed to be placed to Placee(s) to be identified later. In accordance with Paragraph 6.04(c) of the Listing Requirements, the Placement Shares will not be placed to the following parties:-

- (i) the Interested Person;
- (ii) person(s) connected with the Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Additionally, the Placees shall also be person(s) or party(ies) who/which qualify under Schedules 6 or 7 of the Capital Markets and Services Act 2007.

3.3 Ranking of the Placement Shares

The Placement Shares, upon issuance and allotment, rank equally in all respects with the then existing issued Shares, save and except that the holders of the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, for which the relevant entitlement date precedes the date of issuance of the Placement Shares.

3.4 Listing of and quotation for the Placement Shares

M&A will resubmit the application to Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

3.5 Utilisation of proceeds

For illustration purpose, assuming up to 236,461,500 Placement Shares are issued at the Indicative Placement Price of RM0.1035 per Placement Share, the Proposed Private Placement is expected to raise total gross proceeds of approximately RM24.47 million. The proceeds raised are expected to be utilised in the following manner:-

Utilisation of proceeds	Note	RM'000	Expected time frame for the utilisation of proceeds (from listing date)
<u>(i) Working capital:</u>			Within 12 months
Settlement of trade and other creditors	(a)	13,000	
Recruitment of technical experts and information technology personnel		3,500	
Staff salaries and statutory contributions		6,900	
Others general working capital	(b)	174	
		<hr/> 23,574	

(ii) <u>Estimated expenses for the Proposals:</u>	(c)	Within 1 month
Principal Adviser fee (inclusive of placement fee)	750	
Legal fee	100	
Authority fee	50	
	<hr/>	
	900	
Total estimated proceeds	<hr/>	
	24,474	

Notes:-

- (a) The proceeds earmarked for settlement of trade and other creditors are broken down as follows:

<u>No.</u>	<u>Description</u>	<u>RM'000</u>
(i)	Suppliers of raw ingredients for food and beverage business	8,000
(ii)	Rental of operating premises for food and beverage business	5,000
	Total	13,000

- (b) Consists of other working capital requirement such as utilities bills, travelling expenses and office related expenses.

- (c) The estimated expenses of RM900,000 consist of fees payable to the relevant authority, advisers and placement fees. Any variation in the actual amount of expenses will be adjusted to/from the amount allocated for working capital of SHIB.

The actual proceeds to be raised from the Proposed Private Placement are dependent on the actual number of Placement Shares to be issued and the Placement Price. Any excess or shortfall of the actual proceeds raised will be adjusted to/from the amount earmarked for the working capital.

Pending the full utilisation of the proceeds raised from the Proposed Private Placement, the Company intends to place these proceeds (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institution(s) or in short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of the SHIB.

4. RATIONALE FOR THE PROPOSALS

- 4.1 The purpose of the Proposed Debt Settlement is to settle the amount owing by the Company to the Creditors.

After due consideration of the various options available, the Board is of the opinion that the Proposed Debt Settlement is an appropriate method to settle the Creditors Settlement Amount in view that the Proposed Debt Settlement:

- (i) will enable the Company to settle the Creditors Settlement Amount without incurring additional debt obligation/interest expenses by the SHIB;

- (ii) will enable the Company to strengthen its capital base;
- (iii) will further strengthen the Company's equity base as well as NA and gearing ratio of the Company as a result of the increase in the share capital of the Company; and
- (iv) to preserve its cash for other purposes, such as working capital requirements.

4.2 The Board had considered various methods of fund raising and is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising for SHIB to raise additional funds expeditiously to meet the purposes as stated in Section 3.5 of this announcement, without incurring financing costs associated with bank borrowings.

5. EFFECTS OF THE PROPOSALS

5.1 Share capital

The pro forma effects of the Proposals on the share capital of SHIB are as follows:

	No. of Shares (^{'000})	RM (^{'000})
As at LPD	1,182,308	1,121,045
To be issued pursuant to the Proposed Debt Settlement ⁽¹⁾	55,644	3,500
After the Proposed Debt Settlement	1,237,952	1,124,545
To be issued pursuant to the Proposed Private Placement ⁽²⁾	236,462	24,474
After the Proposed Private Placement	1,474,414	⁽³⁾ 1,148,119

Notes:

- (1) Based on the issuance of 55,643,880 Creditors Settlement Shares at the Creditors Settlement Issue Price of RM0.0629 per share.
- (2) Based on the issuance of 236,461,500 Placement Shares at the Indicative Placement Price of RM0.1035 per share.
- (3) After deducting RM900,000 estimated expenses for the Proposals

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5.2 NA and gearing

Based on the audited consolidated balance sheet of SHIB as at 31 December 2019, the pro forma effects of the Proposals on the NA and gearing of the SHIB are as follows:

	(I)	(II)	(III)
	Audited as at 31 December 2019	After Proposed Debt Settlement	After Proposed Private Placement
	RM'000	RM'000	RM'000
Share capital	1,115,045	⁽¹⁾⁽²⁾ 1,124,545	^{(3) (4)} 1,148,119
Reserves	(568,468)	(568,468)	(568,468)
Accumulated losses	(354,767)	(354,767)	(354,767)
Shareholders' equity / NA	191,810	201,310	224,884
No. of ordinary shares in issue ('000)	1,122,308	⁽¹⁾⁽²⁾ 1,237,952	⁽³⁾ 1,474,414
NA per Share (RM)	0.17	0.16	0.15
Total borrowings (Interest-bearing) (RM'000)	2,308	⁽⁵⁾ 2,308	⁽⁵⁾ 2,308
Gearing (times)	0.01	⁽⁵⁾ 0.01	⁽⁵⁾ 0.01

Notes:

- (1) After adjusting for issuance of 60,000,000 SHIB Shares at the issue price of RM0.10 per share pursuant to the conversion of SHIB RCN with nominal value of RM6,000,000.
- (2) Based on the issuance of 55,643,880 Creditors Settlement Shares at the Creditors Settlement Issue Price of RM0.0629 per share.
- (3) Based on the issuance of 236,461,500 Placement Shares at the Indicative Placement Price of RM0.1035 per share.
- (4) After adjusted for the estimated expenses of RM900,000 for the Proposals.
- (5) The Creditors Settlement Amount is non-interest bearing and therefore not included in the total borrowings of the Company as well as for the purpose of the computation of gearing.

5.3 Earnings and EPS

The Proposals will not have any immediate material effect on the earnings and EPS of the Company for the financial year ended 31 December 2020. However, the Proposed Private Placement is expected to contribute positively to the earnings of the Company in the coming financial years when the benefits of the utilisation of proceeds are realised.

The resultant increase in the number of SHIB Shares in issue pursuant to the Proposals may accordingly dilute the EPS of the Company if the earnings of the Company do not increase in tandem with such increase in the number of SHIB Shares. Nevertheless, the extent of dilution to the consolidated EPS of the Company is dependent upon, amongst others, the eventual number of SHIB Shares to be issued pursuant to the Proposals vis-à-vis the future earnings of the Company.

5.4 Convertible Securities

Save for the SHIB RCN as disclosed under Section 3 of this announcement, the Company does not have any other existing convertible securities as at the date of this announcement.

The Proposals will not give rise to adjustment to the number of SHIB RCN and will not give rise to adjustment to the conversion price of SHIB RCN.

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5.5 Substantial shareholders' shareholdings

The effect of the Proposals on the shareholdings of the substantial shareholders of SHIB, based on the register of substantial shareholders as at 30 June 2020, is set out below:

	As at 30 June 2020				After the Proposed Debt Settlement				After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Rock Point Alliance Pte. Ltd.	285,000,080	24.95	-	-	285,000,080	23.02	-	-	285,000,080	19.33	-	-
Libran Infinity Inc	74,000,057	6.48	-	-	74,000,057	5.98	-	-	74,000,057	5.02	-	-
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	12,073,700	1.06	⁽¹⁾ 304,492,259	26.66	12,073,700	0.98	⁽¹⁾ 304,492,259	24.60	12,073,700	0.82	⁽¹⁾ 304,492,259	20.65
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	1,221,500	0.11	⁽²⁾ 315,342,959	27.61	1,221,500	0.10	⁽²⁾ 315,342,959	25.47	1,221,500	0.08	⁽²⁾ 315,342,959	21.39
Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar	1,166,500	0.10	⁽³⁾ 315,397,959	27.61	1,166,500	0.09	⁽³⁾ 315,397,959	25.48	1,166,500	0.08	⁽³⁾ 315,397,959	21.39
Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar	1,176,500	0.10	⁽⁴⁾ 315,387,959	27.61	1,176,500	0.10	⁽⁴⁾ 315,387,959	25.48	1,176,500	0.08	⁽⁴⁾ 315,387,959	21.39
Y.A.M. Tunku Irinah Binti Tuanku Ja'afar	1,154,250	0.10	⁽⁵⁾ 315,410,209	27.61	1,154,250	0.09	⁽⁵⁾ 315,410,209	25.48	1,154,250	0.08	⁽⁵⁾ 315,410,209	21.39
Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar	1,076,550	0.09	⁽⁶⁾ 315,487,909	27.62	1,076,550	0.09	⁽⁶⁾ 315,487,909	25.48	1,076,550	0.07	⁽⁶⁾ 315,487,909	21.40
Y.M. Tunku Nurul Hayati Binti Tunku Bahador	100,200	0.01	⁽⁷⁾ 316,465,759	27.70	100,200	0.01	⁽⁷⁾ 316,465,759	25.56	100,200	0.01	⁽⁷⁾ 316,465,759	21.46
Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin	1,500	*	⁽⁸⁾ 308,810,230	27.03	1,500	*	⁽⁸⁾ 308,810,230	24.95	1,500	*	⁽⁸⁾ 308,810,230	20.94
Liu Guodong	-	-	⁽⁹⁾ 74,000,057	6.48	-	-	⁽⁹⁾ 74,000,057	5.98	-	-	⁽⁹⁾ 74,000,057	5.02

Notes:

* Negligible

- (1) Deemed interested by virtue of:
- Him being the sibling to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Him being the father of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin;
 - Him being the spouse of Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - His substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd. which in turn holds shares in SHIB;
 - His direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - His direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - His direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (2) Deemed interested by virtue of:
- Him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tuanku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - His substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - His direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - Him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (3) Deemed interested by virtue of:
- Her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - Her substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - Her sibling's interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - Her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (4) Deemed interested by virtue of:
- Him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - His substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - His direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - Him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.

- (5) Deemed interested by virtue of:
- Her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - Her substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - Her sibling's interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - Her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (6) Deemed interested by virtue of:
- Her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Irinah Binti Tuanku Ja'afar;
 - Her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - Her substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - Her sibling's interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - Her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (7) Deemed interested by virtue of:
- Her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar;
 - Her being the sister-in-law to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Her being the mother of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin;
 - Her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - Her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - Her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (8) Deemed interested by virtue of:
- Him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar and Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - Him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - Him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (9) Deemed interested pursuant to Section 8 of Companies Act, 2016 by virtue of his entire equity interest in Libran Infinity Inc.

6. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the following:
 - (a) listing of and quotation for the Creditors Settlement Shares to be issued pursuant to the Proposed Debt Settlement on the Main Market of Bursa Securities;
 - (b) listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities;
- (ii) Shareholders' approval for the Proposed Creditors Debt Settlement; and
- (iii) any other relevant persons or authorities, if required.

The New Shareholders' Mandate is valid, unless revoked or varied by the Company at a general meeting, until the conclusion of the next AGM of SHIB. Therefore, any issuance of share not exceeding 20% of the total issued shares (excluding treasury shares) of the Company pursuant to the Proposals does not require another specific approval from the shareholders of SHIB.

7. INTER-CONDITIONALITY

The Proposed Creditors Debt Settlement and Proposed Private Placement are not inter-conditional upon each other.

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

8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders of SHIB and/or person connected with them have any interest, whether direct or indirect, in the Proposals.

9. DIRECTORS' RECOMMENDATION

Proposed Debt Settlement

The Board, after having considered all aspects of the Proposed Debt Settlement including but not limited to the capital structure of the Company, rationale and effects of the Proposed Debt Settlement, is of the opinion that the Proposed Debt Settlement are fair and reasonable and is in the best interests of the Company.

Proposed Private Placement

The Board having considered all aspects of the Proposed Private Placement, including but not limited to the rationale and effects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interest of the Company.

20% General Mandate

The Board having considered all aspect of the 20% General Mandate, is of the opinion that is in the best interest of the Company and its shareholders as the fund raised from the additional 10% Shares to be issued will provide a buffer for the Company's capital base in the event that the progress of the recovery of the Malaysian and global economy resulted from the Covid-19 Pandemic is impeded.

10. ADVISER AND PLACEMENT AGENT

M&A Securities has been appointed to act as the Adviser for the Proposals and also the Placement Agent for the Proposed Private Placement.

11. APPLICATION TO THE AUTHORITIES

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Barring unforeseen circumstances, M&A Securities will, on behalf of the Company, resubmit the application to relevant authorities in relation to the Proposals within 2 months from the date of this announcement.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the approvals/consents being obtained, the Proposals are expected be completed by the fourth quarter of 2020.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy each of the Creditor Settlement Agreement will be available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur during normal business days for a period of three months from the date of this announcement.

This announcement is dated 3 August 2020.