

**THIS CIRCULAR TO SHAREHOLDERS OF SDS GROUP BERHAD ("SDSG" OR THE "COMPANY") ("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 advisers immediately.

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# S.D.S

SINCE 1987

**SDS GROUP BERHAD**

(Registration No.: 201701026951 (1241117-T))

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED BONUS  
ISSUE OF UP TO 136,543,588 NEW ORDINARY SHARES IN SDSG ("SDSG  
SHARE(S)" OR SHARE(S)) ("BONUS SHARE(S)") ON THE BASIS OF 1 BONUS  
SHARE FOR EVERY 3 EXISTING SDSG SHARES HELD BY THE  
SHAREHOLDERS OF SDSG WHOSE NAMES APPEAR IN THE COMPANY'S  
RECORD OF DEPOSITORS ON AN ENTITLEMENT DATE TO BE DETERMINED  
AND ANNOUNCED LATER**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*

**UOBKayHian**

**UOB KAY HIAN SECURITIES (M) SDN BHD**

(Registration No.: 199001003423 (194990-K))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of SDSG to be held at Endau Senai Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 25 April 2025 at 10.00 a.m. or any adjournment thereof, together with the accompanying Proxy Form are enclosed herein.

A member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and vote on his/her behalf. In such event, the completed and signed Proxy Form must be deposited with our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via TIH online website at <https://tiah.online>, not less than forty-eight (48) hours before the time stipulated for holding the EGM as indicated below. The lodging of the Proxy Form will not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form : Wednesday, 23 April 2025 at 10.00 a.m. or at any adjournment thereof

Day, date and time of the EGM : Friday, 25 April 2025 at 10.00 a.m. or at any adjournment thereof

This Circular is dated 26 March 2025

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## DEFINITIONS

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

“Act”	: The Companies Act 2016
“Board”	: The Board of Directors of SDSG
“Bonus Share(s)”	: New SDSG Share(s) to be issued pursuant to the Proposed Bonus Issue of Shares
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
“Circular”	: This circular to the shareholders of SDSG dated 26 March 2025 in relation to the Proposed Bonus Issue of Shares
“Director(s)”	: Director(s) of SDSG and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007, Section 2(1) of the Act and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction where agreed upon, a director or a chief executive of SDSG or any other company which is a subsidiary or holding company of SDSG
“EGM”	: Extraordinary general meeting of SDSG
“Entitled Shareholder(s)”	: The shareholder(s) of SDSG whose name(s) appear in the Record of Depositors of our Company on the Entitlement Date pursuant to the Proposed Bonus Issue of Shares
“Entitlement Date”	: A date (to be determined and announced by our Board later) on which the names of the Entitled Shareholders must appear in the Record of Depositors of our Company in order to be entitled to the Bonus Shares pursuant to the Proposed Bonus Issue of Shares
“EPS”	: Earnings per Share
“FYE”	: Financial year ended/ending, as the case may be
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 28 February 2025, being the latest practicable date prior to the printing and despatch 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 number or aggregate number of those shares, is:-  (i) 10% or more of the total number of voting shares in the corporation; or  (ii) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in section 8 of the Act.

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**DEFINITIONS (Cont'd)**

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“Market Day(s)”	:	Any day on which Bursa Securities is open for trading in securities, which may include a Surprise Holiday
“NA”	:	Net assets
“Proposed Bonus Issue of Shares”	:	Proposed bonus issue of up to 136,543,588 Bonus Shares on the basis of 1 Bonus Share for every 3 existing SDSG Shares held on the Entitlement Date
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SDSG” or the “Company”	:	SDS Group Berhad (Registration No.: 201701026951 (1241117-T))
“SDS Group” or the “Group”	:	SDSG and its subsidiaries, collectively
“SDSG Share(s)” or “Share(s)”	:	Ordinary share(s) in SDSG
“Surprise Holiday”	:	A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
“UOBKH” or the “Principal Adviser”	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No.: 199001003423 (194990-K))
“VWAP”	:	Volume weighted average market price

All references to “we”, “us”, “our” and “ourselves” are to SDSG or SDS Group. All references to “you” in this Circular are to the shareholders of SDSG.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any 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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**S.D.S**  
— SINCE 1987 —  
**SDS GROUP BERHAD**  
(Registration No.: 201701026951 (1241117-T))  
(Incorporated in Malaysia)

**Registered Office**  
Unit 7-01, Level 7, Menara Lagenda  
No. 3 Jalan SS20/27  
47400 Petaling Jaya  
Selangor Darul Ehsan

26 March 2025

**Board of Directors**

Dr. Lim Pang Kiam	<i>(Independent Non-Executive Chairman)</i>
Tan Kim Seng	<i>(Managing Director)</i>
Tan Kim Chai	<i>(Executive Director)</i>
Tan Yon Haw	<i>(Executive Director)</i>
Tan Kee Jin	<i>(Executive Director)</i>
Lee Yee Ling	<i>(Independent Non-Executive Director)</i>
Patricia Rangene Packium	<i>(Independent Non-Executive Director)</i>

**To: The shareholders of SDSG**

Dear Sir/Madam,

**PROPOSED BONUS ISSUE OF SHARES**

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**1. INTRODUCTION**

On 6 March 2025, UOBKH had, on behalf of our Board, announced that our Company proposes to undertake the Proposed Bonus Issue of Shares.

The Proposed Bonus Issue of Shares marks the Company's first shareholder reward initiative (apart from the dividends declared to-date) since its listing on the ACE Market of Bursa Securities on 7 October 2019. This strategic initiative reflects the Company's commitment towards recognising and rewarding its shareholders for the support and confidence in the growth trajectory of SDS Group. Further details of the Proposed Bonus Issue of Shares are set out in the ensuing sections of this announcement.

Subsequently, on 14 March 2025, UOBKH had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 14 March 2025, resolved to approve the listing of and quotation for up to 136,543,588 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in **Section 6** of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE OF SHARES AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF SHARES TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF SHARES TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED BONUS ISSUE OF SHARES**

### **2.1 Basis and number of Bonus Shares to be issued**

The Proposed Bonus Issue of Shares entails the issuance of up to 136,543,588 Bonus Shares on the basis of 1 Bonus Share for every 3 existing SDSG Shares held by our Entitled Shareholders on the Entitlement Date.

As at the LPD, our Company has an issued share capital of RM54,412,862 comprising 409,630,765 SDSG Shares. For shareholders' information, our Company does not have any treasury shares and convertible securities as at the LPD.

The entitlement basis for the Proposed Bonus Issue of Shares was determined after taking into consideration the following:-

- (i) the dilutive effects arising from the issuance of the Bonus Shares on the consolidated EPS and NA per Share of our Company; and
- (ii) compliance with Paragraph 6.30(1A) of the Listing Requirements which states that SDSG must ensure that its share price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50 based on the daily VWAP during the 3-month period before the application date.

Fractional entitlements of Bonus Shares arising from the Proposed Bonus Issue of Shares, if any, will be disregarded and dealt with in such manner as our Board may in its absolute discretion deem fit, expedient, and in the best interest of our Company.

The Proposed Bonus Issue of Shares will be implemented in a single issuance and not on a staggered basis over a period of time.

### **2.2 Capitalisation of reserves**

The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of our Company's reserves.

For avoidance of doubt, the Proposed Bonus Issue of Shares will increase the number of SDSG Shares in issue but will not increase the value of the share capital of our Company.

## 2.3 Adjustment to the reference price of SDSG Shares

The Proposed Bonus Issue of Shares will result in an adjustment to the reference price of the existing SDSG Shares, based on the following formula:-

$$T_x = \frac{P \times Y}{Y + X}$$

where:-

$T_x$  = Adjusted reference price of SDSG Shares or theoretical ex-bonus price ("**TEBP**") (RM)

$P$  = Closing price of SDSG Shares (RM)

$X$  = Bonus Share (unit)

$Y$  = Holding of existing Share (unit)

For illustration purposes, the potential impact of the Proposed Bonus Issue of Shares on market price and TEBP of SDSG Shares based on the respective VWAP are set out as follows:-

	Before	After
	(RM)	TEBP (RM)
5-day VWAP up to and including the LPD	1.0610	0.7958
Lowest daily VWAP during the 3-month period up to and including 7 March 2025, being the date immediately prior to the submission of the application to Bursa Securities in respect of the Proposed Bonus Issue of Shares	1.0005	0.7504
Last transacted market price of SDSG Shares as at the LPD	1.0300	0.7725

(Source: Bloomberg)

Based on the above, our Board confirms that the share price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50 based on the daily VWAP of SDSG Shares during the 3-month period before the application date in accordance with Paragraph 6.30(1A) of the Listing Requirements and as such, the Proposed Bonus Issue of Shares complies with Paragraph 6.30(1A) of the Listing Requirements.

## 2.4 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing SDSG Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment of the Bonus Shares.

## 2.5 Listing of and quotation for the Bonus Shares

Bursa Securities had, vide its letter dated 14 March 2025, resolved to approve the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, subject to the conditions as stated under **Section 6** of this Circular.

The Bonus Shares shall be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Entitlement Date. The notice of allotment for the Bonus Shares will be issued and despatched to the Entitled Shareholders no later than 4 Market Days after the date of listing of and quotation for the Bonus Shares.

### 3. RATIONALE FOR THE PROPOSED BONUS ISSUE OF SHARES

After due consideration of the various options available, our Board is of the view that the Proposed Bonus Issue of Shares is an appropriate avenue for our Company to reward our existing shareholders after taking into consideration the following:-

- (i) reward our Company's existing shareholders for their continuous support by increasing their equity participation in our Company in terms of the number of Shares held whilst maintaining their percentage equity shareholding;
- (ii) encourage the trading liquidity and affordability of SDSG Shares on the Main Market of Bursa Securities whilst increasing the number of Shares in issue without affecting the market capitalisation of our Company; and
- (iii) encourage greater participation by investors and potentially widen the share spread to a wider pool of investors.

### 4. EFFECTS OF THE PROPOSED BONUS ISSUE OF SHARES

The pro forma effects of the Proposed Bonus Issue of Shares on our Group's issued share capital, NA, NA per Share, gearing, earnings, EPS and substantial shareholders' shareholdings are set out below.

#### 4.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue of Shares on the issued share capital of SDSG are set out below:-

	No. of Shares	RM
Issued share capital of SDSG as at the LPD	409,630,765	54,412,862
Bonus Shares to be issued	136,543,588	(1)_
<b>Enlarged issued share capital</b>	<b>546,174,353</b>	<b>54,412,862</b>

**Note:-**

- (1) The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of our Company's reserves.

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## 4.2 NA, NA per Share and gearing

For illustration purposes, the pro forma effects of the Proposed Bonus Issue of Shares on the NA, NA per Share and gearing of our Group based on the audited consolidated statement of financial position of our Group for the FYE 31 March 2024 are as follows:-

			Pro forma I
	Audited as at 31 March 2024 (RM'000)	<sup>(1)</sup> Subsequent adjustments up to the LPD (RM'000)	After the Proposed Bonus Issue of Shares (RM'000)
Share capital	54,413	54,413	54,413
Reserves	73,364	<sup>(1)</sup> 67,834	<sup>(2)</sup> 67,704
<b>Total equity attributable to owners of our Company/NA</b>	<b>127,777</b>	<b>122,247</b>	<b>122,117</b>
Non-controlling interests	742	742	742
<b>Total equity</b>	<b>128,519</b>	<b>122,989</b>	<b>122,859</b>
No. of Shares in issue ('000)	409,631	409,631	546,174
<b>NA per Share (RM)</b>	<b>0.31</b>	<b>0.30</b>	<b>0.22</b>
Total borrowings (RM'000) <sup>(3)</sup>	19,621	19,621	19,621
<b>Gearing ratio (times)</b>	<b>0.15</b>	<b>0.16</b>	<b>0.16</b>

### Notes:-

(1) After adjusting for the following dividend payments:-

- (i) the payment of fourth interim single tier dividend of 0.35 sen per SDSG Share which was declared on 24 May 2024 for the FYE 31 March 2024 and paid on 24 June 2024, amounting to approximately RM1.43 million;
- (ii) the payment of first interim single tier dividend of 0.40 sen per SDSG Share which was declared on 23 Aug 2024 for the FYE 31 March 2025 and paid on 24 September 2024, amounting to approximately RM1.64 million; and
- (iii) the payment of second interim single tier dividend of 0.60 sen per SDSG Share which was declared on 22 November 2024 for the FYE 31 March 2025 and paid on 24 December 2024, amounting to approximately RM2.46 million.

(2) After deducting estimated expenses of approximately RM0.13 million in relation to the Proposed Bonus Issue of Shares.

(3) Consists of lease liabilities and term loans.

## 4.3 Earnings and EPS

Save for the corresponding dilution in the EPS of SDSG as a result of the increase in the number of SDSG Shares in issue pursuant to the Proposed Bonus Issue of Shares, the Proposed Bonus Issue of Shares is not expected to have any material effect on the consolidated earnings of our Group for the FYE 31 March 2025.

## 4.4 Convertible securities

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

#### 4.5 Substantial shareholders' shareholdings

The Proposed Bonus Issue of Shares will not result in any changes to our substantial shareholders' percentage of the shareholdings as the Bonus Shares will be allotted on a pro-rata basis to all of our shareholders. However, the number of SDSDG Shares held by our substantial shareholders will increase proportionately as a result of the Proposed Bonus Issue of Shares.

For illustration purposes, the pro forma effects of the Proposed Bonus Issue of Shares on our substantial shareholders' shareholdings are as follows:-

Name	Shareholdings as at the LPD				Pro forma I			
	After the Proposed Bonus Issue of Shares							
	Direct		Indirect		Direct		Indirect	
	No. of Shares	<sup>(1)</sup> (%)	No. of Shares	<sup>(1)</sup> (%)	No. of Shares	<sup>(4)</sup> (%)	No. of Shares	<sup>(4)</sup> (%)
Tan Kim Seng	99,040,780	24.18%	<sup>(2)</sup> 7,261,620	1.77%	132,054,373	24.18%	<sup>(2)</sup> 9,682,160	1.77%
Tan Kim Chai	98,885,580	24.14%	<sup>(3)</sup> 1,491,620	0.36%	131,847,440	24.14%	<sup>(3)</sup> 1,988,826	0.36%

**Notes:-**

- (1) Based on the existing issued share capital comprising 409,630,765 Shares as at the LPD.
- (2) Deemed interested by virtue of his interests in SDS Tan Properties Sdn Bhd pursuant to Section 8(4) of the Act, of his spouse, Pua Geok Hong's and his children, Tan Kee Meng's and Tan Xin Ee's direct shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (3) Deemed interested by virtue of his interests in SDS Tan Properties Sdn Bhd pursuant to Section 8(4) of the Act.
- (4) Based on the enlarged issued share capital comprising 546,174,353 Shares after the Proposed Bonus Issue of Shares.

## 5. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of SDSG Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular from March 2024 to February 2025 are as follows:-

	High (RM)	Low (RM)
<b><u>2024</u></b>		
March	0.86	0.77
April	0.83	0.74
May	0.91	0.80
June	0.90	0.84
July	0.91	0.87
August	1.18	0.85
September	1.23	1.12
October	1.28	1.14
November	1.23	1.07
December	1.27	1.15
<b><u>2025</u></b>		
January	1.25	1.12
February	1.30	1.01
Last transacted market price of SDSG Shares as at 5 March 2025, being the last trading date prior to the announcement of the Proposed Bonus Issue of Shares (RM)		1.05
Last transacted market price of SDSG Shares as at the LPD (RM)		1.03

(Source: Bloomberg)

## 6. APPROVALS REQUIRED/OBTAINED AND CONDITIONALITY

The Proposed Bonus Issue of Shares is subject to approvals being obtained from the following:-

- (i) Bursa Securities, for the listing of and quotation for up to 136,543,588 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities; and

The approval of Bursa Securities was obtained vide its letter dated 14 March 2025 and is subject to the following conditions:-

Condition(s)	Status of compliance
(a) SDSG and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Shares;	To be complied
(b) SDSG is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the EGM approving the Proposed Bonus Issue of Shares;	To be complied
(c) SDSG and UOBKH are required to inform Bursa Securities upon completion of the Proposed Bonus Issue of Shares;	To be complied
(d) SDSG is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Shares is completed; and	To be complied

Condition(s)	Status of compliance
(e) SDSG and UOBKH are required to make the relevant announcements in accordance with paragraphs 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements.	To be complied

(ii) our shareholders at the forthcoming EGM.

The Proposed Bonus Issue of Shares is not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.

## 7. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Bonus Issue of Shares (which is the subject matter of this Circular), there are no other outstanding corporate exercises announced by us but not yet completed prior to the date of this Circular.

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

None of the Directors, major shareholders, chief executive of our Company and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Shares, save for their respective entitlements to the Bonus Shares as shareholders of our Company under the Proposed Bonus Issue of Shares, to which all other shareholders of our Company are similarly entitled.

## 9. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, having considered all aspects of the Proposed Bonus Issue of Shares, including but not limited to the basis, rationale as well as the pro forma effects of the Proposed Bonus Issue of Shares, is of the opinion that the Proposed Bonus Issue of Shares is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue of Shares to be tabled at the forthcoming EGM.

## 10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the required approvals being obtained, the Proposed Bonus Issue of Shares is expected to be completed by 1<sup>st</sup> half of 2025.

The tentative timetable for the implementation of the Proposed Bonus Issue of Shares is set out below:-

Timeline	Events
25 April 2025	<ul style="list-style-type: none"> <li>EGM</li> </ul>
End April 2025	<ul style="list-style-type: none"> <li>Announcement on the Entitlement Date</li> </ul>
Early May 2025	<ul style="list-style-type: none"> <li>Entitlement Date</li> <li>Listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities</li> <li>Completion of the Proposed Bonus Issue of Shares</li> </ul>

## **11. EGM**

The forthcoming EGM, the notice of which is enclosed with this Circular, will be held at Endau Senai Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 25 April 2025 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without any modifications to the resolution to give effect to the Proposed Bonus Issue of Shares.

If you are unable to attend, speak and vote at the forthcoming EGM in person, please complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein and deposit it with our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via TIH online website at <https://tiah.online>, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, speaking and voting in person at the EGM should you subsequently decide to do so.

## **12. FURTHER INFORMATION**

You are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully,  
For and on behalf of our Board of  
**SDS GROUP BERHAD**

**TAN KIM SENG**  
Managing Director

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**FURTHER INFORMATION**


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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENT**

UOBKH, being the Principal Adviser for the Proposed Bonus Issue of Shares, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

**3. DECLARATION OF CONFLICT OF INTEREST**

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to our Company for the Proposed Bonus Issue of Shares.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, neither our Company nor our Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board does not have any knowledge of any proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of our Group.

**5. MATERIAL COMMITMENTS**

Save as disclosed below, as at the LPD, our Board, after making all reasonable enquiries, is not aware of any material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	<b>RM'000</b>
<b><u>Property, plant and equipment</u></b>	
- Contracted but not provided for	1,078

**6. CONTINGENT LIABILITIES**

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

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**FURTHER INFORMATION (Cont'd)**

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**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our Registered Office at Unit 7-01, Level 7, Menara Lagenda, No. 3 Jalan SS20/27, 47400 Petaling Jaya, Selangor, during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the Constitution of our Company;
- (ii) the audited consolidated financial statements of our Group for the past 2 financial years up to the FYE 31 March 2024 as well as the unaudited 9-month financial period ended 31 December 2024; and
- (iii) the letter of consent and declaration of conflict of interest referred to in **Section 2** and **Section 3** of this **Appendix I**.

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**S.D.S**  
— SINCE 1987 —  
**SDS GROUP BERHAD**  
(Registration No.: 201701026951 (1241117-T))  
(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting (“**EGM**”) of SDS Group Berhad (“**SDSG**” or the “**Company**”) will be held at Endau Senai Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 25 April 2025 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following resolution:-

**ORDINARY RESOLUTION**

**PROPOSED BONUS ISSUE OF UP TO 136,543,588 NEW ORDINARY SHARES IN SDSG (“BONUS SHARE(S)”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 3 EXISTING ORDINARY SHARES IN SDSG (“SDSG SHARE(S)” OR “SHARE(S)”) HELD BY THE SHAREHOLDERS OF SDSG WHOSE NAMES APPEAR IN THE COMPANY’S RECORD OF DEPOSITORS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“ENTITLEMENT DATE”) (“ENTITLED SHAREHOLDER(S)”) (“PROPOSED BONUS ISSUE OF SHARES”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to issue and allot up to 136,543,588 Bonus Shares, issued as fully paid, at no consideration and without capitalisation of the Company’s reserves, on the basis of 1 Bonus Share for every 3 existing SDSG Shares held by the Entitled Shareholders on the Entitlement Date;

**THAT** the Board be and is hereby authorised to deal with any fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, including disregarding the fractional entitlements, in such manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;

**THAT** the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing SDSG Shares, save and except that they will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid prior to the date of issuance and allotment of the Bonus Shares;

**AND THAT** the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Bonus Issue of Shares with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Shares.”

By Order of the Board,  
**SDS GROUP BERHAD**

**Siew Suet Wei (MAICSA NO. 7011254)**  
SSM Practicing Certificate No. 202008001690  
Company Secretary

Petaling Jaya  
26 March 2025



**NOTES:-**

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as at 18 April 2025 shall be entitled to attend this EGM or appoint proxy(ies) to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney so authorised.
6. The Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via TIH online website at <https://tiah.online>, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
7. The lodging of the Proxy Form will not preclude you from attending, participating and voting in person at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM of the Company will be conducted by poll. Poll administrator and independent scrutineers will be appointed respectively to conduct the polling/e-voting process and to verify the results of the poll.
9. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree, and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this EGM and convening the EGM, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

## Proxy Form

No. of shares held		
CDS Account No.		
No. of shares to be represented by each proxy	Proxy 1	Proxy 2

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of **SDS GROUP BERHAD** (the “Company”) hereby appoint:-

### PROXY 1

Full Name (in Block Letters)	NRIC/Passport No.	Email Address	Contact No.
Full Address			

### PROXY 2

Full Name (in Block Letters)	NRIC/Passport No.	Email Address	Contact No.
Full Address			

or failing him/her, the CHAIRMAN of the MEETING as \*my/our proxy, to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company to be held at Endau Senai Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 25 April 2025 at 10.00 a.m. and, at every adjournment thereof \*for/against the resolutions to be proposed thereat.

Please indicate with a cross (X) in the space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he/she thinks fit.

		PROXY 1		PROXY 2	
		For	Against	For	Against
<b>RESOLUTION</b>	<b>PROPOSED BONUS ISSUE OF SHARES</b>				

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

\_\_\_\_\_  
Signature(s)/Common Seal of Member

#### NOTES:-

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- A member entitled to attend and vote at this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
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**“EXTRAORDINARY GENERAL MEETING”**

AFFIX  
STAMP

**The Share Registrar**  
**SDS GROUP BERHAD** Registration No.: 201701026951 (1241117-T)  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

1<sup>st</sup> Fold here