



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Registration No.: 197501003884 (25583-W))

(Incorporated in Malaysia)

1. INTRODUCTION

The Board of Directors of Sarawak Consolidated Industries Berhad (“**SCIB**” or “**Company**”) wishes to announce that SCIB Concrete Manufacturing Sdn. Bhd. (“**SCM**”) (Registration No.: 200101019131 (554888-U), a wholly owned subsidiary of SCIB had on 29 September 2023 accepted the Islamic Banking Facilities (“**Facilities**”) amounting to **RM34,000,000.00 (Ringgit Malaysia: Thirty-Four Million Only)** granted by Small Medium Enterprise Development Bank Malaysia Berhad (“**SME Bank**” or “**the Bank**”).

Both SCIB and SCM is collectively refer as **the Group**.

2. INFORMATION AND PURPOSE OF THE FACILITIES

The details of the Facilities are as follows:

Facilities	Purpose	Amount
Commodity Murabahah Term Financing-i (CMTF-i)	To redeem property from Affin Islamic Bank and the balance thereafter (if any) is to be credited to SCM’s operating account as general working capital.	RM12,000,000.00 (Ringgit Malaysia: Twelve Million Only)
Revolving Credit-i (RC-i)	To redeem existing Trade Facility(ies) from Affin Islamic Bank, thereafter as Working Capital.	RM19,000,000.00 (Ringgit Malaysia: Nineteen Million Only)
Cash Line-i (CL-i)	As general working capital to finance Operating Expenditure	RM3,000,000.00 (Ringgit Malaysia: Three Million Only)
	TOTAL	RM34,000,000.00 (Ringgit Malaysia: Thirty-Four Million Only)

The above Facilities is to be secured by the following securities:

- i. Open Monies Facility Agreement between SCM and the Bank and to be stamped as the principal document;
- ii. First Party First Legal Charge is to be created over the property as stated below:-

Registered owner	Location	Title Details
SCIB Concrete Manufacturing Sdn. Bhd.	Lot 2351, Jalan Utama, Pending Industrial Estate, 93450 Kuching, Sarawak	Lot 2351, Section 66 Kuching Town Land District

- iii. Corporate Guarantee to be executed by SCIB; and
- iv. Other security documents as advised by the Bank's panel solicitor.

3. FINANCIAL EFFECTS

Despite the possibility of fluctuation in the bank's Base Financing Rate and Cost of Fund, the Facilities are not expected to have any material effect on the earnings per share, gearing and net assets per share of the Company for the financial year ending 30 June 2024. The Facilities will not have any effect on the share capital and substantial shareholders' shareholding of the Company.

4. RISK FACTORS

The associated Risk Factors are as follows:

NO.	RISK	DELIBERATION
i.	Interest Rate Risk	Changes in interest rates can increase the cost of borrowing for the Group.
ii.	Liquidity Risk	In event the Group experiences liquidity issues, it may default on its obligation on repayment.
iii.	Credit Risk	The Facilities may increase Credit Risk of the Group which may result to higher interest rates for subsequent facilities.
iv.	Loss of Securities	In event the Group defaulted on its obligations to the Bank, the Securities may be seized by the Bank.
v.	Regulatory Risk	Failure to comply with various regulations relating to the Facilities may result legal implication to the Group.

To mitigate the identified Risk Factors, the Group is practicing prudent financial management to ensure sufficient liquidity to satisfy the obligations to the Bank.

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

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

6. STATEMENT BY DIRECTORS

The Board of Directors of the Company having considered all aspects of the Facilities, is in the opinion that the above facilities granted by the Bank are in the ordinary course of business and is in the best interest of the Group.

7. APPROVALS REQUIRED

The facilities are not subject to the approval of the shareholders and/or any regulatory authorities.

This announcement is dated 29 September 2023.