

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Description	SARAWAK CONSOLIDATED INDUSTRIES BERHAD (“SCIB” OR “THE COMPANY”) - ADDITIONAL INFORMATION FOR THE DISPOSAL OF ALL THAT PIECE OF FREEHOLD INDUSTRIAL LAND HELD UNDER GERAN 212765, LOT 16024, BANDAR NILAI UTAMA, DISTRICT OF SEREMBAN, STATE OF NEGERI SEMBILAN TO BESI-TECH ENGINEERING SDN. BHD. [REGISTRATION NO.:199401021107 (306786-V)] (“BESI-TECH” OR “THE PURCHASER”) (“PROPOSED DISPOSAL”)
--------------------	---

Unless otherwise stated, all abbreviations used herein shall have the same meaning as those mentioned in the announcement dated 28 May 2025 in relation to Proposed Disposal (“Announcement”).

The Board of Directors of Sarawak Consolidated Industries Berhad (“SCIB” or “the Company”) wishes to inform that the Company has received Bursa Malaysia Securities Berhad’s request on 29 May 2025 for additional information in relation to the Proposed Disposal. The additional information is as follows:-

1) *Mode of consideration:*

Part of the disposal consideration will be paid in cash by the Purchaser, with a portion funded through their financing facilities.

2) *Approximately age of the land:*

According to the Sale and Purchase Agreement dated 22 December 2016, the acquisition date of the Property indicates that it is approximately nine (9) years old as at the date of this announcement.

3) *Item 2.5 On The Basis and Justification for the Disposal Consideration*

Rahim & Co adopted the Comparison Approach and the Cost Approach to determine the market value of the property. The Comparison Approach entails critical analyses of recent evidence of values of comparable properties in the neighbourhood and making adjustments for differences. In the Cost Approach, the value of land and buildings are separately determined and a summation of these values as determined are taken to be the market value of the property as an integral whole.

4) *Item 5 On The Expected Profit/Loss from the Proposed Disposal*

The breakdown are as follows:

<i>Selling price</i>	<i>RM8,180,000</i>
<i>Less:</i>	
<i>Revalued freehold land (NBV)</i>	<i>RM7,500,000</i>
<i>Building (NBV)</i>	<i>RM478,420</i>

<i>Incidental costs (include brokerage, legal fee & RPGT)</i>	<i>RM1,124,000</i>
<i>Net loss on disposal</i>	<i>(RM922,420)</i>

5) Item 7 On The Intended Utilisation of Proceeds:

- a) Repayment of bank borrowings of RM4 million as outlined below:
 - (i) Cash line facility of RM3 million granted by Small Medium Enterprise Development Bank Malaysia Berhad . The current outstanding balance is RM3 million and the interest ceiling rate is 11%).
 - (ii) Bank overdraft under RHB Islamic Bank Berhad of RM1 million (Current outstanding balance is RM3.1 million and the interest ceiling rate is 12%)
- b) Incidental expenses of RM1,124,000 include the brokerage fee of approximately RM530,000, legal fee of RM30,000 and RPGT of RM564,000
- c) Working capital of RM3,056,000 includes the payroll related expenses and funding of existing projects costs/ expenses.

6) Item 8(iii) – On The Financial Effects of the Disposal on the Net Assets (“NA”) per share and gearing

The revised presentation of the effects on the NA per share and gearing is as follows:

Based on the audited consolidated statement of financial position of the Company as of 30 June 2024 and on the assumption that the Proposed Disposal had been effected on that date, the pro forma effects of the Proposed Disposal on the consolidated NA per share and gearing of the Company are as follows:

	Audited as of 30 June 2024	After the Proposed Disposal
	(RM'000)	(RM'000)
Share capital	177,560	177,560
Revaluation reserves ⁽³⁾	53,418	50,674
Foreign exchange translation reserves	(1,783)	(1,783)
Retained Earnings/Accumulated Losses	(78,214)	(75,773)
Shareholders' Equity	150,981	150,678
Number of shares in issue ('000)	658,738	658,738
NA per share (RM) ⁽¹⁾	0.23	0.23
Interest-bearing borrowings	57,383	53,383
Gearing (times) ⁽²⁾	0.38	0.35

Notes:

(1) Calculated based on shareholders' equity over the number of shares in issue.

(2) Calculated based on total interest-bearing borrowings over shareholders' equity, assuming repayment of borrowing amounting RM4 million from the proceeds

(3) Revaluation reserve of RM2,744,000 will be transferred directly to retained earnings/accumulated losses and there will be a reversal of deferred tax amounting to RM620,000.

7) *To insert an additional statement as per Appendix 10A:*

The Proposed Disposal will not result in the Company becoming a cash company, nor will it trigger classification under PN17 pursuant to the Listing Requirements of Bursa Securities.

This announcement is dated 30 May 2025.