



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 “the Company”) wishes to announce that SCIB Concrete Manufacturing Sdn. Bhd. (“SCM”) [Registration No.: 200101019131 (554888-U)], an indirect wholly-owned subsidiary of SCIB had on 28 April 2025 accepted the Term Financing-i (“TF-i”) Facilities of up to the aggregate sum of Ringgit Malaysia Forty-Nine Million (RM49,000,000) only (“Facilities”) under the Soft Financing Scheme For Automation and Modernisation (“SFSAM-i”) granted by Malaysian Industrial Development Finance Berhad (“MIDF”).

Both SCIB and SCM are collectively referred to as “the Group”.

2. INFORMATION AND PURPOSE OF THE FACILITIES

The details of the Facilities are as follows:

Facilities	Purposes	Total Limit
Term Financing-i of RM13,600,000.00 (“Loan 1”)	To part finance the acquisition of 3 rd party lands identified as Plots 11, 12, 13, 14 & 15 at Taman Perindustrian Demak Laut Phase 11B (Stage 2) known as Lot 787, 788, 789, 790 & 791, Block 4 Muara Tebas Land District (“the Property”) for the sum of RM21,621,356.00 (excluding statutory tax).	RM13,600,000.00
Term Financing-i of RM20,000,000.00 (“Loan 2”)	To part finance the construction cost of a factory complex consisting of an office block, store, workshop and factory production areas for the sum of RM25,340,000.00 on the Property, to be erected thereon, as per Annex I of the Letter of Offer.	RM20,000,000.00
Term Financing-i of RM15,400,000.00 (“Loan 3”)	To part finance the purchase of machinery/equipment/motor vehicle/vessel as per Annex I of the Letter of Offer. The usage of the machinery/equipment must not be for any purpose forbidden by Shariah (Islamic Law).	RM15,400,000.00
TOTAL		RM49,000,000.00

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

- the Master Facility Agreement in favour of MIDF setting out the terms of the Facilities;

- the Trade Transaction Documents:-
 - i) Purchase Request with *Wa'd*;
 - ii) the Wakalah Agreement with MIDF;
 - iii) *Murabahah* Contract;
- Corporate Guarantee to be provided in favour of MIDF by SCIB;
- 3rd Party 1st Legal Charge for RM13,600,000.00 over the Property for **Loan 1**;
- 3rd Party 2nd Legal Charge for RM20,000,000.00 over the Property for **Loan 2**;
- 3rd Party 3rd Legal Charge for RM15,400,000.00 over the Property for **Loan 3**;
- Letter of Undertaking issued by SCIB Holdings Sdn Bhd [Company No. 200101019124 (554881-P)] (“SHSB”), a holding company of SCM for **Loan 1** stating as follows:
 - (i) that SHSB shall hold 100% shareholding in SCM throughout the Facilities tenure.
 - (ii) that SHSB is aware of SCM’s obligations to adhere to the terms and conditions of the TF-i Facilities until final settlement and shall at all material time ensure that it shall comply and perform SCM’s aforesaid obligations;
- Letter of Undertaking issued by SCIB for **Loan 1** stating as follows:
 - (i) that SCIB shall hold 100% shareholding in SHSB throughout the Facilities tenure; and
 - (ii) that SCIB is aware of the SCM’s obligations to adhere to the terms and conditions of the TF-i Facilities until final settlement and shall at all material time ensure that SCM shall comply and perform its aforesaid obligations.
- A first fixed charge on new machinery/equipment to be financed for **Loan 3**; and
- Any other documents deemed necessary by MIDF and/or its Solicitors.

3. FINANCIAL EFFECTS

The Facilities are not expected to have any material effect on the net assets per share of the Company for the financial year ending 30 June 2025. However, the gearing is expected to increase but will remain within a manageable level. The earnings per share may decrease due to interest costs arising from the investment in the capital expenditure. Nevertheless, it is anticipated to improve upon materialisation of returns from the investments. 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
1	Liquidity Risk	In event the Group experiences liquidity issues, it may default on its obligation on repayment.
2	Credit Risk	The Facilities may increase Credit Risk, determined by its debt to equity ratio as rising borrowing may evaluate the overall credit risk.
3	Loss of Securities	In event the Group defaulted on its obligations to the Bank, the Securities may be seized by the Bank.
4	Regulatory Risk	Failure to comply with various regulations relating to the Facilities may result in legal implications to the Group.

To mitigate the identified Risk Factors, the Group practices prudent liquidity risk management to minimize the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby banking facilities.

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders of the Company and/or persons 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 MIDF to SCM are necessary to facilitate the ordinary course of business of SCM 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 28 April 2025.