SARAWAK CONSOLIDATED INDUSTRIES BERHAD ("SCIB" OR THE "COMPANY")

(I) PROPOSED RIGHTS ISSUE WITH WARRANTS; AND
(II) PROPOSED SHARE CAPITAL REDUCTION

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On behalf of the Board of Directors of SCIB ("**Directors**") ("**Board**"), Inter-Pacific Securities Sdn Bhd ("**Interpac**" or the "**Principal Adviser**") wishes to announce that the Company proposes to undertake the following proposals:-

(i) proposed renounceable rights issue of up to 763,624,813 new ordinary shares in SCIB ("**SCIB Shares**" or "**Shares**") ("**Rights Shares**") together with up to 763,624,813 free detachable warrants in the Company ("**Warrants C**") on the basis of 1 Rights Share together with 1 Warrant C for every 1 existing Share held by the entitled shareholders of the Company ("**Shareholders**") ("**Entitled Shareholders**") on an entitlement date to be determined and announced later ("**Entitlement Date**") ("**Proposed Rights Issue with Warrants**"); and

(ii) proposed reduction of the issued share capital of SCIB by RM110.00 million pursuant to Section 117 of the Companies Act, 2016 ("**Act**") ("**Proposed Share Capital Reduction**").

The Proposed Rights Issue with Warrants and the Proposed Share Capital Reduction are collectively referred to as the "**Proposals**".

2. DETAILS OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS

2.1 Basis and number of Rights Shares and Warrants C to be issued

The Proposed Rights Issue with Warrants entails the issuance of up to 763,624,813 Rights Shares together with up to 763,624,813 Warrants C and is to be implemented on a renounceable basis of 1 Rights Share together with 1 Warrant C for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date at an issue price to be determined and announced by the Board at a later date.

The basis of 1 Rights Share together with 1 Warrant C for every 1 existing Share was arrived at after taking into consideration, amongst others, the following:-

(i) the amount of proceeds to be raised from the subscription of the Rights Shares is to be channelled towards the purposes as set out in Section 4 of this announcement. The actual amount of proceeds to be raised is dependent on the final issue price of the Rights Shares and the level of subscription for the Proposed Rights Issue with Warrants; and

(ii) Paragraph 6.50 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") ("**Bursa Securities**") which states that a listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible securities (i.e. warrants and convertible preference shares) does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible securities) at all times.

The actual number of Rights Shares and Warrants C to be issued will depend on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date after taking into consideration any new Shares that may be issued pursuant to the existing long term incentive plan of the Company ("**LTIP**")[(1)] as well as the eventual subscription level for the Proposed Rights Issue with Warrants.

Note:-

(1) On 24 July 2024, the Company established and implemented a LTIP involving up to 15% of the Company's total number of issued Shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP for eligible Directors and employees of SCIB and its non-dormant subsidiary(ies) which fulfil the eligibility criteria as set out in the by-laws of the LTIP.

The LTIP comprises a share grant plan ("**SGP**") and a share option plan ("**SOP**"). The implementation of the LTIP enables the Company to allot and issue new SCIB Shares to the eligible persons at no consideration under the share grant awards pursuant to the SGP and/or exercise of the share options at a prescribed option price pursuant to the SOP ("**LTIP Options**").

As at 20 June 2025, being the latest practicable date prior to this announcement ("**LPD**"), the Company has 699,247,887 Shares in issue as well as the following:-

(i) 47,557,882 LTIP Options which have been granted / vested but not exercised. For information, these 47,557,882 LTIP Options are exercisable within 1 year from the date of offer on 14 October 2024 and is expiring on 13 October 2025, subject to the by-laws of the LTIP; and

(ii) up to 16,819,044 new SCIB Shares / LTIP Options which may be granted, vested and/or exercised pursuant to the maximum allowable amount under the LTIP.

For illustration purposes, the effects of the Proposed Rights Issue with Warrants shall be based on the following scenarios:-

Minimum Scenario : Assuming that:-

(i) none of the 47,557,882 granted / vested LTIP Options as at the LPD are exercised into new Shares prior to the Entitlement Date;

(ii) none of the 16,819,044 new SCIB Shares / LTIP Options that can be granted under the LTIP as at the LPD are granted, vested and/or exercised into new Shares prior to the Entitlement Date;

(iii) save for the Undertaking Shareholder, no other Entitled Shareholders and/or their renouncee(s) subscribe for the Rights Shares; and

(iv) the undertaking shareholder subscribes in full to his entitlement and additional Rights Shares to raise minimum gross proceeds of RM10.00 million pursuant to his undertaking as set out in Section 2.3 of this announcement ("**Minimum Subscription Level**"),

for illustrative purposes, at an assumed illustrative price of RM0.07 per Rights Share, the minimum scenario would entail the issuance of approximately 143,000,000 Rights Shares together with 143,000,000 Warrants C ("**Minimum Scenario**").

Base Case Scenario : Assuming that:-

(i) none of the 47,557,882 granted / vested LTIP Options as at the LPD are exercised into new Shares prior to the Entitlement Date;

(ii) none of the 16,819,044 new SCIB Shares / LTIP Options that can be granted under the LTIP as at the LPD are granted, vested and/or exercised into new Shares prior to the Entitlement Date; and

(iii) all the Entitled Shareholders and/or their renouncee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants C,

the Proposed Rights Issue with Warrants would entail the issuance of 699,247,887 Rights Shares together with 699,247,887 Warrants C ("**Base Case Scenario**").

Maximum Scenario : Assuming that:-

(i) all the 47,557,882 granted / vested LTIP Options as at the LPD are exercised into new Shares prior to the Entitlement Date;

(ii) all the 16,819,044 LTIP Options that can be granted under the LTIP as at the LPD are granted, vested and exercised into new Shares prior to the Entitlement Date; and

(ii) all the Entitled Shareholders and/or their renouncee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants C,

the Proposed Rights Issue with Warrants would entail the issuance of 763,624,813 Rights Shares together with 763,624,813 Warrants C ("**Maximum Scenario**").

The total number of Rights Shares with Warrants C to be issued under the Proposed Rights Issue with Warrants is illustrated below:-

		Minimum Scenario	**Base Case Scenario**	**Maximum Scenario**
		No. of Shares	**No. of Shares**	**No. of Shares**
Total number of Shares as at the LPD		699,247,887	699,247,887	699,247,887
New Shares to be issued assuming full exercise of the granted / vested LTIP Options		-	-	47,557,882
New Shares to be issued assuming full granting and/or exercise of the LTIP Options under the LTIP		-	-	16,819,044
		699,247,887	**699,247,887**	**763,624,813**
Rights Shares to be issued		(1)143,000,000	699,247,887	763,624,813
Enlarged total number of Shares after the Proposed Rights Issue with Warrants	**[A]**	**842,247,887**	**1,398,495,774**	**1,527,249,626**
New Shares to be issued assuming full exercise of the Warrants C	**[B]**	(1)143,000,000	699,247,887	763,624,813
Enlarged total number of Shares		**985,247,887**	**2,097,743,661**	**2,290,874,439**
Percentage of [B] against [A]		(2)16.98%	(2)50.00%	(2)50.00%

Notes:-

(1) Based on the Minimum Subscription Level, further details of which are set out in Section 2.3 of this announcement.

(2) Based on these percentages, the 50% threshold under Paragraph 6.50 of the Listing Requirements would not be breached as a result of the Proposed Rights Issue with Warrants. As such, the Proposed Rights Issue with Warrants would be in compliance with Paragraph 6.50 of the Listing Requirements.

The Rights Shares and the Warrants C will be provisionally allotted and issued to the Entitled Shareholders. The Entitlement Date shall be determined by the Board after obtaining all requisite approvals for the Proposed Rights Issue with Warrants.

The Warrants C are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/or their renouncee(s) who subscribe for the requisite number of Rights Shares. Each Warrant C will entitle its holder to subscribe for 1 new Share at an exercise price to be determined by the Board at a later date. The Warrants C will be immediately detached from the Rights Shares upon the issuance and will be traded separately. The Warrants C will be issued in registered form and constituted by a deed poll governing the rights of Warrant C holders to be executed by the Company (“**Deed Poll C**”).

The entitlements for the Rights Shares together with the Warrants C are renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Proposed Rights Issue with Warrants.

However, the Rights Shares and Warrants C cannot be renounced separately and only the Entitled Shareholders and/or their renouncee(s) who successfully subscribe for the Rights Shares will be entitled to the Warrants C. As such, the Entitled Shareholders who renounce all of their Rights Shares entitlements shall be deemed to have renounced all the accompanying entitlements to the Warrants C to be issued together with the Rights Shares. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants C in proportion to their acceptance of their Rights Share entitlements.

Any Rights Shares which are not validly taken up shall be offered to other Entitled Shareholders and/or their renouncee(s) under excess Rights Shares applications. It is the intention of the Board to reduce the incidence of odd lots and to allocate excess Rights Shares in a fair and equitable manner and on a basis to be determined by the Board later.

Fractional entitlements arising from the Proposed Rights Issue with Warrants, if any, shall be disregarded and/or dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit or expedient and in the best interests of the Company.

2.2 Indicative salient terms of Warrants C

Issuer	:	SCIB
Issue size	:	Up to 763,624,813 Warrants C
Form and detachability	:	The Warrants C will be issued in registered form and constituted by the Deed Poll C. The Warrants C which are to be issued with the Rights Shares will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants C shall be 100 units of Warrants C, or such other number of units as may be prescribed by Bursa Securities.
Tenure of the Warrants C	:	3 years commencing on and including the date of issuance of the Warrants C.

Exercise Period	:	The Warrants C may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants C to the close of business at 5.00 p.m. (Malaysia time) on the day immediately preceding the date which is the 3rd anniversary from the date of issuance of the Warrants C ("**Exercise Period**") and if such day falls on a day which is not a market day, then on the preceding market day. Any Warrants C not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	:	The exercise price of the Warrants C ("**Exercise Price**") shall be determined by the Board at a later date after obtaining the relevant approvals but prior to the announcement of the Entitlement Date. Please refer to Section 2.4(ii) of this announcement for information on the basis and justification for determining the Exercise Price. The Exercise Price and/or the number of Warrants C in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll C.
Exercise rights	:	Each Warrant C shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll C.
Mode of exercise	:	The holders of the Warrants C are required to lodge an exercise notice with the Company's share registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order or money order or postal order drawn on a bank or post office operating in Malaysia or by way of internet bank transfer to the bank account of the Company, the aggregate of the Exercise Price payable when exercising their Warrants C to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Adjustments to the Exercise Price and/or the number of Warrants C	:	Subject to the provisions of the Deed Poll C, the Exercise Price and/or the number of unexercised Warrants C in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or certified by the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants C, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll C.
Rights of the Warrant C holders	:	The Warrants C do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrants C holders exercise their Warrants C for new Shares in accordance with the provisions of the Deed Poll C and such new Shares have been allotted and issued to such holders.

Ranking of the new Shares to be issued pursuant to the exercise of the Warrants C	:	The new Shares to be issued pursuant to the exercise of the Warrants C in accordance with the provisions of the Deed Poll C shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants C, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares pursuant to the exercise of the Warrants C.
Rights of the Warrant C holders in the event of winding up, liquidation, compromise and/or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants C (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants C; and (ii) in any other cases, and subject always to the provisions of the Deed Poll C, every Warrant C holder shall be entitled to exercise his/her Warrants C at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks from the granting of the court order approving the winding-up, compromise or arrangement, as the case may be, by the irrevocable surrender of his/her Warrants C to the Company by submitting the duly completed exercise notice(s) authorising the debit of his/her Warrants C, together with payment of the relevant payments and fees for the Exercise Price, to elect to be treated as if he/she had immediately prior to the commencement of such winding up, compromise or arrangement, exercised the exercise rights to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if he/she had on such date been the holder of the new Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all exercise rights of the Warrants C shall lapse and cease to be valid for any purpose.
Modification of rights of Warrant C holders	:	Save as otherwise provided in the Deed Poll C, a special resolution of the Warrant C holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant C holders.

Modification of Deed Poll C	:	Any modification to the terms and conditions of the Deed Poll C may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll C. Any of such modification shall however be subject to the approval of Bursa Securities (if so required). No amendment or addition may be made to the provisions of the Deed Poll C without the sanction of a special resolution unless the amendments or additions are required to correct any manifest errors or are required to comply with any mandatory provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant C holders.
Listing	:	The Warrants C will be listed and traded on the Main Market of Bursa Securities. The listing and quotation of the Warrants C on the Main Market of Bursa Securities is subject to a minimum of 100 Warrants C holders holding not less than 1 board lot each.
Transferability	:	The Warrants C shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**").
Deed Poll C	:	The Warrants C shall be constituted by the Deed Poll C.
Governing laws	:	The Warrants C and the Deed Poll C shall be governed by the laws and regulations of Malaysia.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

2.3 Minimum Subscription Level and Undertaking

The Company intends to undertake the Proposed Rights Issue with Warrants based on the Minimum Subscription Level to raise a minimum of RM10.00 million to meet the funding requirements of the Company and its subsidiaries ("**SCIB Group**" or the "**Group**"), which will be channelled towards the proposed utilisation as set out in Section 4 of this announcement.

The Minimum Subscription Level shall be met via an undertaking from Datuk Chong Loong Men (being the Executive Chairman and a major shareholder of the Company) ("**Datuk Chong**" or "**Undertaking Shareholder**") to apply and subscribe in full for his entitlement of Rights Shares and, if required, additional Rights Shares not taken up by other Entitled Shareholders by way of excess Rights Shares application, to the extent such that the aggregate subscription proceeds of the Rights Shares received by the Company arising from the subscription by all Entitled Shareholders and/or their renouncee(s) (including the Undertaking Shareholder, if necessary) amount to not less than RM10.00 million ("**Undertaking**").

For illustrative purposes, if the Proposed Rights Issue with Warrants is undertaken based on an illustrative issue price of RM0.07 per Rights Share under the Minimum Scenario, it shall entail the subscription of approximately 143,000,000 Rights Shares together with 143,000,000 Warrants C by the Undertaking Shareholder as illustrated below:-

Undertaking Shareholder	Existing direct shareholding as at the LPD		Minimum Rights Shares to be subscribed for pursuant to the Undertaking							
			Subscription based on entitlement				Subscription based on excess Rights Shares application			
	No. of Shares	(1)%	No. of Rights Shares	(2)%	No. of Warrants C	(3)%	No. of Rights Shares	(2)%	No. of Warrants C	(3)%
Datuk Chong	40,543,257	5.80	40,543,257	28.35	40,543,257	28.35	102,456,743	71.65	102,456,743	71.65

Undertaking Shareholder	Total Rights Shares with Warrants C to be subscribed pursuant to the Undertakings				Assuming the Minimum Scenario			
	No. of Rights Shares	(2)%	No. of Warrants C	(3)%	No. of Shares held after the Proposed Rights Issue with Warrants	%(4)	No. of Shares held after the Proposed Rights Issue with Warrants and assuming full exercise of the Warrants C	%(5)
Datuk Chong	143,000,000	100.00	143,000,000	100.00	183,543,257	21.79	326,543,257	33.14

Notes:-

(1) Based on the issued share capital of 699,247,887 Shares as at the LPD.

(2) Based on the total number of 143,000,000 Rights Shares to be subscribed by the Undertaking Shareholder pursuant to his Undertaking under the Minimum Scenario.

(3) Based on the total number of 143,000,000 Warrants C attached to the Rights Shares to be subscribed by the Undertaking Shareholder pursuant to his Undertaking under the Minimum Scenario.

(4) Based on the enlarged issued share capital of 842,247,887 Shares under the Minimum Scenario.

(5) Based on the enlarged issued share capital of 985,247,887 Shares under the Minimum Scenario and assuming full exercise of the Warrants C.

If the actual issue price is higher or lower than RM0.07 per Rights Share, the number of Rights Shares to be subscribed by the Undertaking Shareholder (which is computed based on RM10.00 million divided by the actual issue price of the Rights Shares) will be adjusted correspondingly such that the Company will raise a minimum of RM10.00 million.

Pursuant to the Undertaking, the Undertaking Shareholder has:-

(i) irrevocably and unconditionally undertaken that he shall not sell or in any other way dispose of or transfer his existing equity interest in the Company or any part thereof during the period commencing from the date of the Undertaking up to the completion of the Proposed Rights Issue with Warrants; and

(ii) confirmed that he has sufficient financial means and resources to apply and subscribe for his entitlement of Rights Shares based on his direct shareholding in the Company as at the LPD.

For the avoidance of doubt, pursuant to the Undertaking, the Undertaking Shareholder is not obliged to subscribe for additional Rights Shares beyond his own entitlement if the Minimum Subscription Level has been achieved via the subscription by all other Entitled Shareholders and/or their renouncee(s). However, while the Undertaking Shareholder is not obliged to subscribe for additional Rights Shares in such event, the Undertaking Shareholder may still choose to do so at his own discretion. At this juncture, the Undertaking Shareholder has not decided on whether he will subscribe for the Rights Shares beyond his own entitlement in the event that the Minimum Subscription Level has been achieved.

The Undertaking Shareholder's subscription for Rights Shares pursuant to his Undertaking will not give rise to any consequence of mandatory take-over offer obligation under the Malaysian Code on Take-overs and Mergers, 2016 ("**Code**") and the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("**SC**") ("**Rules**") immediately after completion of the Proposed Rights Issue with Warrants (based on an illustrative issue price of RM0.07 per Rights Share). The Undertaking Shareholder has confirmed that he will observe and comply at all times with the provisions of the Code and the Rules and is obliged to undertake a mandatory take-over offer if such obligation is triggered unless the necessary exemptions from undertaking such mandatory take-over offer is obtained from SC.

As the Minimum Subscription Level will be fully met via the Undertaking, the Company will not procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders.

The Undertaking is not expected to result in any breach in the public shareholding spread requirement by the Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, the Company does not hold any treasury shares.

2.4 Basis and justification for determining the issue price of the Rights Shares and the exercise price of the Warrants C

(i) Issue price of the Rights Shares

The issue price of the Rights Shares shall be determined and announced by the Board at a later date (before the announcement of the Entitlement Date) after taking into consideration, amongst others, the following:-

(a) the funding requirements of the Group as set out in Section 4 of this announcement;

(b) the theoretical ex-rights price ("**TERP**") of the Shares based on the 5-day volume-weighted average market price ("**VWAP**") of the Shares up to and including the last trading day prior to the price-fixing date.

The issue price of the Rights Shares shall be fixed such that it will be at a discount of between 20% and 40% to the TERP of the Shares. This discount range was determined after taking into consideration the need of the Company to price the Rights Shares at an issue price deemed sufficiently attractive to encourage subscription of the Rights Shares and to enable the Group to raise the necessary funds required for the intended utilisation as set out in Section 4 of this announcement; and

(c) the rationale for the Proposed Rights Issue with Warrants, as set out in Section 5.1 of this announcement.

The illustrative issue price of RM0.07 per Rights Share represents a discount of 31.24% to the TERP of the Shares of RM0.1018, calculated based on the 5-day VWAP of the Shares up to and including the LPD of RM0.1653 and assuming an illustrative exercise price of RM0.07 per Warrant C.

(ii) Exercise price of the Warrants C

The exercise price of the Warrants C shall be determined and announced by the Board at a later date (before the announcement of the Entitlement Date) after taking into consideration, amongst others, the TERP of the Shares based on the 5-day VWAP of the Shares up to and including the last trading day prior to the price-fixing date.

The exercise price of the Warrants C shall be fixed such that it will be at a discount of between 20% and 40% to the TERP of the Shares. This discount range was determined after taking into consideration the future prospects of the Group, further details of which are set out in Section 7.2 of this announcement, as well as the need to fix an exercise price that makes the Warrants C attractive for the purposes of enhancing the subscription level of the Rights Shares.

The illustrative exercise price of RM0.07 per Warrant C represents a discount of 31.24% to the TERP of the Shares of RM0.1018, calculated based on the 5-day VWAP of the Shares up to and including the LPD of RM0.1653 and assuming an illustrative issue price of RM0.07 per Rights Share.

2.5 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants C

2.5.1 Rights Shares

The Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Rights Shares.

2.5.2 New Shares to be issued arising from the exercise of the Warrants C

The new Shares to be issued arising from the exercise of the Warrants C shall, upon allotment, issuance and full payment of the exercise price of the Warrants C, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

2.6 Listing and quotation for the Rights Shares, the Warrants C and new SCIB Shares to be issued arising from the exercise of the Warrants C

The Rights Shares, the Warrants C as well as new SCIB Shares to be issued pursuant to the exercise of Warrants C will be listed on the Main Market of Bursa Securities.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

3. DETAILS OF THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction entails the reduction of RM110.00 million of the issued share capital of the Company via the cancellation of the issued share capital which is substantially unrepresented by available assets pursuant to Section 117 of the Act.

The credit arising from the Proposed Share Capital Reduction shall be utilised to set off the accumulated losses of the Company as permitted by the relevant and applicable laws as well as the Listing Requirements and the Constitution of the Company. Any balance credit after elimination of the Company's accumulated losses will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the relevant authorities and applicable laws as well as the Listing Requirements.

For the avoidance of doubt, the Proposed Share Capital Reduction:

(i) will not result in any adjustment to the reference share price of the Company; and

(ii) will not give rise to any change in the total number of Shares held by the Shareholders.

For illustration purposes, the pro forma effects of the Proposed Share Capital Reduction on the accumulated losses of the Company and the Group based on their audited financial statements for the financial year ended ("**FYE**") 30 June 2024 and the unaudited financial statements for the 9-month financial period ended 31 March 2025 are as follows:-

	Company		**Group**	
	As at 31 March 2025	**As at 30 June 2024**	**As at 31 March 2025**	**As at 30 June 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Accumulated losses	(54,969)	(52,376)	(76,973)	(78,214)
Add:- Credit arising from the Proposed Share Capital Reduction	110,000	110,000	110,000	110,000
Resultant retained earnings	**55,031**	**57,624**	**33,027**	**31,786**

Under Section 117 of the Act, the Company may reduce its share capital by passing a special resolution. Within 7 days from the date of the special resolution, the Company is required to notify the Director General of the Inland Revenue Board of Malaysia and the Registrar of Companies of the said special resolution, as well as to advertise a notice of the Proposed Share Capital Reduction in widely circulated national language and English newspapers.

Pursuant to Section 119 of the Act, the Proposed Share Capital Reduction will become effective when the Registrar of Companies has recorded the information lodged in the appropriate register. An immediate announcement will be made with regards to the effective date of the Proposed Share Capital Reduction.

4. UTILISATION OF PROCEEDS FROM THE PROPOSED RIGHTS ISSUE WITH WARRANTS

The gross proceeds to be raised from the Proposed Rights Issue with Warrants (based on an illustrative issue price of RM0.07 per Rights Share) are intended to be utilised in the following manner:-

Utilisation of proceeds	Intended timeframe for utilisation from completion of the Proposed Rights Issue with Warrants(4)	Minimum Scenario RM'000	Base Case Scenario RM'000	Maximum Scenario RM'000
(i) Construction of factory and purchase of machineries	Within 24 months	10,000	20,000	20,000
(ii) Repayment of bank borrowings	Within 12 months	-	19,000	19,000
(iii) Working capital	Within 12 months	-	9,067	13,574
(iv) Estimated expenses for the Proposals	Immediate	(1)-	(2)880	(2)880
Total		**(3)10,000**	**48,947**	**53,454**

Notes:-

(1) Under the Minimum Scenario, the expenses for the Proposed Rights Issue with Warrants shall be funded via internally generated funds.

(2) If the actual expenses incurred are higher than this amount, the deficit will be funded via the amount earmarked for working capital. Conversely, any surplus of funds following payment of expenses will be utilised for working capital.

(3) Any additional proceeds raised in excess of this amount beyond the Minimum Scenario will be allocated up to its respective maximum allocation (under the Base Case Scenario) in the following order:-

(i) construction of factory and purchase of machineries;

(ii) repayment of bank borrowings;

(iii) working capital; and

(iv) estimated expenses for the Proposals.

(4) If the Company is unable to fully utilise the proceeds raised from the Proposed Rights Issue with Warrants in accordance with the intended timeframes set out herein, the timeframe for utilisation of proceeds that has been allocated for the respective purposes will be extended and announced as well as disclosed in the Company's quarterly financial results announcements as well as annual reports until the Company has fully utilised the proceeds.

Alternatively, the Company may also consider to revise the utilisation of proceeds, whether partly or wholly, to another purpose depending on the Group's requirements at that point in time. In such event, details of the proposed revision shall be announced and, if required under the Listing Requirements, Shareholders' approval will be obtained accordingly.

Pending the utilisation of the proceeds from the Proposed Rights Issue with Warrants, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments with licensed financial institutions. Any interest income or gains earned from such placements will be utilised for working capital in the same manner as set out in Section 4(iii) of this announcement.

(i) Construction of factory and purchase of machineries

On 26 January 2024, the Company accepted an offer from the Land and Survey Department of Sarawak for the acquisition of 5 industrial leasehold plots measuring a total of approximately 21.88 acres located within the Muara Tebas Land District at Taman Perindustrian Demak Laut Phase IIb (Stage 2), (also known as "**Demak Laut Industrial Park**"), Kuching, Sarawak ("**Lands**") for a cash consideration of RM21.62 million ("**Purchase Consideration**").

The Lands were offered as part of the Company's intention to relocate their existing factory operations in Pending Industrial Estate which is located close to the Kuching City Centre, to Demak Laut Industrial Park. The Purchase Consideration is repayable over 5 annual instalments, which is meant to allow time for the Company to construct a new factory and relocate their existing factory operations to such new premises. Thus, as part of the terms of the offer, if the Company is able to complete the construction of its new factory within 3 years, the Company will be able to enjoy a rebate on the Purchase Consideration in the form of an exemption from paying the fourth and fifth annual instalments.

As at the LPD, the Company has paid the first and second annual instalments towards the Purchase Consideration and the remaining balance of RM11.69 million is expected to be met via bank borrowings that have already been secured by the Company.

Further to the above, the Company intends to utilise part of the proceeds from the Proposed Rights Issue with Warrants to fund the construction of a new factory on the Lands and purchase of machineries. Apart from the relocation, this represents part of the Company's business plans to expand its production capacity for concrete-related products such as spun piles, spun pipes and reinforced concrete products.

The new factory, which is expected to have a built-up area of approximately 16,300 square meters, will enable the Company to expand its current production capacity to meet the anticipated increase in market demand for concrete-related products. This move is in line with the development plans of the State Government of Sarawak over the coming years which includes the construction of public infrastructure projects throughout Sarawak.

The breakdown of the construction costs of the new factory and purchase of machineries are estimated to be as follows:-

Construction costs and purchase of machineries	**Estimated costs RM'000**
<u>Construction costs of the new factory</u>	
General and preliminaries	1,030
Civil works, earthfill and soil treatment	8,730
Piling works and sub structure	6,050
Building works (office building)	450
Building works (factories, store, workshop, guard house, stock yard and auxiliary building)	16,230
Mechanical and electrical works (factories and office)	4,130
Machineries installation at site	1,000
Provision for contingency	1,000
	38,620
Purchase of machineries	18,950
Total	**57,570**

Any shortfall in the Group's funding requirement for the construction of factory is expected to be met via internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken, if required. However, the funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the availability and suitability of other funding alternatives at the relevant time. Conversely, any surplus proceeds will be allocated for the Group's working capital.

(ii) Repayment of bank borrowings

As at the LPD, the total outstanding amount of the Group's bank borrowings stood at RM96.82 million which include bankers' acceptance, bank overdrafts, hire purchase, term loans and revolving credit.

The Group intends to utilise proceeds of RM19.00 million from the Proposed Rights Issue with Warrants towards the repayment of bank borrowings in the following manner:-

Type of borrowings	Outstanding amount as at the LPD RM'000	(1)Repayment amount RM'000	Estimated interest savings per annum RM'000
Bankers' acceptances	8,916	-	-
Bank overdrafts	6,141	6,000	(2)471
Hire purchase	2,356	-	-
Term loans	58,810	-	-
Revolving credit	20,593	13,000	(3)794
Total	**96,816**	**19,000**	**1,265**

Notes:-

(1) While the Group intends to allocate proceeds of up to RM19.00 million from the Proposed Rights Issue with Warrants to repay these bank borrowings, these bank borrowings are subject to prevailing interest rates, drawdown and repayment from time to time. As such, the outstanding principal amount of these bank borrowings at the point of repayment may differ from the current amount as at the LPD.

In this event, any surplus shall be reallocated for the repayment of other bank borrowings of the Group (i.e. bankers' acceptance, hire purchase or term loans). Conversely, any shortfall shall be funded via internally generated funds.

(2) Based on an effective interest rate of 7.85% per annum.

(3) Based on an effective interest rate of 6.11% per annum.

(iii) Working capital

The Group intends to utilise part of the proceeds from the Proposed Rights Issue with Warrants for working capital purposes in the following manner:-

Working capital	Base Case Scenario RM'000	Maximum Scenario RM'000
Raw materials	6,000	6,000
Staff costs(2)	3,067	6,000
Other operating and administrative expenses(3)	-	1,574
Total	**9,067**	**13,574**

Notes:-

(1) These include, amongst others, sand, aggregates, diesel, steel bars, prestressed concrete ("**PC**") strand wire and steel bar used for production of concrete products.

(2) As at the LPD, the Group has a total of 330 employees. In tandem with the growth of our Group's business moving forward, our Group plans to expand its headcount to cater for such growth. The exact number of new employees to be hired cannot be determined at this juncture as it will depend on the construction projects to be undertaken by the Group moving forward as well as the Group's operational requirements at the relevant time.

(3) These include, amongst others, upkeep of office premises, rental, legal expenses and general administrative payments. The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual operating and administrative requirements of the Group at the relevant time.

(iv) Estimated expenses for the Proposals

The breakdown of the estimated expenses for the Proposals is set out below:-

Estimated expenses	**Amount RM'000**
Professional fees[1]	700
Fees to relevant authorities	105
Miscellaneous expenses (printing, advertising and contingencies)	75
Total	**880**

Note:-

(1) These include, amongst others, professional fees of the Principal Adviser, reporting accountants, solicitors, company secretaries and share registrar.

The actual gross proceeds to be raised from the Proposed Rights Issue with Warrants will depend on the actual number of Rights Shares that will be issued as well as the issue price of the Rights Shares which shall be determined in due course.

The exact quantum of proceeds that may be raised by the Company from the exercise of the Warrants C would depend on the actual number of Warrants C exercised as well as the exercise price of the Warrants C, which shall be determined by the Board at a later date. The proceeds from the exercise of the Warrants C will be received on an "as and when basis" over the tenure of the Warrants C.

Strictly for illustrative purposes, based on the illustrative exercise price of RM0.07 per Warrant C, the Company will raise gross proceeds of up to RM53.45 million upon full exercise of the Warrants C under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants C in the future will be used to finance the future working capital requirements (such as those described in Section 4(iii) of this announcement). The exact utilisation breakdown cannot be determined at this juncture as it would depend on the actual requirements of the Group at the relevant time and the timeframe for the full utilisation from the date of receipt of the proceeds cannot be determined at this juncture.

5. RATIONALE FOR THE PROPOSALS

5.1 Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants will enable the Company to raise funds and channel them towards the proposed utilisation as set out in Section 4 of this announcement.

After due consideration of the various options available, the Board is of the opinion that the Proposed Rights Issue with Warrants is the most suitable means of fund-raising for the Company for the following reasons:-

(i) Opportunity for Entitled Shareholders to participate in equity offering on a pro rata basis

The Proposed Rights Issue with Warrants provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis. It involves the issuance of new Shares without diluting the Entitled Shareholders' shareholdings in the Company provided that they subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants and exercise their Warrants C subsequently.

(ii) Option for Entitled Shareholders to increase or maintain their equity participation at a discount or to monetize their rights issue entitlements in the open market

The Proposed Rights Issue with Warrants provides the Entitled Shareholders with the option to either increase or maintain their equity participation in the Company by subscribing for the Rights Shares at a discount or to monetize their rights issue entitlements in the open market.

(iii) Other alternative means of fund-raising such as private placements are smaller in scale and dilutive

By virtue of a rights issue being a pro rata equity offering, rights issues can be implemented on a larger scale as compared to conventional private placements, which are limited in scale by virtue of the dilutive impact to existing shareholders.

Given the quantum of the Group's funding requirements as set out in Section 4 of this announcement, the Proposed Rights Issue with Warrants appears to be the most appropriate equity fund-raising avenue at this juncture.

(iv) Rights issues do not tie down the Group with bank borrowings principal repayment and interests servicing

The Proposed Rights Issue with Warrants will enable the Group to raise the requisite funds without incurring additional interest expense from other means of funding such as bank borrowings, thereby minimising any potential cash outflow.

If the Group were to undertake bank borrowings and/or bonds issuance, the Group will be tied down with principal repayments as well as interest servicing and this may inhibit the Group's ability to conserve its cash flow for reinvestment and/or operational purposes.

The Warrants C which are attached to the Rights Shares are intended to provide an added incentive to Entitled Shareholders to subscribe for the Rights Shares. In addition, the Warrants C will provide Entitled Shareholders with an opportunity to increase their equity participation in the Company at the Exercise Price during the tenure of the Warrants C and will allow Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants C are exercised.

The exercise of the Warrants C in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, the exercise of Warrants C will increase Shareholders' funds, thereby strengthening the financial position of the Company and providing the Company with flexibility in terms of the options available to meet its funding requirements.

5.2 Proposed Share Capital Reduction

The Proposed Share Capital Reduction will allow the Company and the Group to rationalise their financial position by reducing their accumulated losses via cancellation part of its issued share capital which is lost or unrepresented by available assets, to reflect more accurately the value of the underlying assets and financial position of the Company and the Group.

In addition, the reduction of accumulated losses in the statements of financial position of the Company and the Group is expected to enhance their credibility with bankers, customers, suppliers, investors and other stakeholders and also provide a better financial platform for the Group's future growth.

6. EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY THE GROUP IN THE PAST 12 MONTHS

The Group has not undertaken any other equity fund-raising exercises in the past 12 months before this announcement.

For information, the Company had on 28 October 2024 announced that it proposes to undertake a private placement exercise which would involve the issuance of 65,873,763 new Shares (representing approximately 10% of the then existing total number of issued Shares prior to the private placement) and raise a total of RM14.20 million mainly for the repayment of bank borrowings and working capital. However, the Company later announced on 3 March 2025 that it has decided not to proceed with the said private placement exercise.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

7. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

7.1 Overview and prospects of the Malaysian economy

The Malaysian economy expanded by 4.4% in the first quarter of 2025 (the fourth quarter of 2024 ("**4Q 2024**"): 4.9%), driven by the steady expansion in domestic demand. Household spending was sustained amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salary. The steady expansion in investment activities was supported by realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower mining exports. This was partially offset by stronger electrical and electronics ("**E&E**") exports and tourism activity. At the same time, imports growth, although more moderate, continued to be driven by strong demand for capital goods, reflecting continued investment and trade activities.

On the supply side, growth was driven by the services and manufacturing sectors. Services sector was supported by higher Government services while strong E&E production underpinned the performance in the manufacturing sector. However, normalisation in motor vehicle sales and production following strong performances over the last three years affected the growth of services and manufacturing sectors respectively. Overall growth was also weighed down by a contraction in the mining sector amid lower oil and gas production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.7% (4Q 2024: -0.2%).

Malaysia's 2025 growth will be affected by the escalation in trade tensions and the heightened policy uncertainties. The rapidly-evolving developments surrounding trade tariffs are expected to affect the global outlook for the rest of the year. As a small and open economy, Malaysia will inevitably face both direct and indirect impact from these tariffs. Growth of the Malaysian economy is expected to be slightly lower than the earlier forecast of 4.5% - 5.5% in 2025. The high uncertainty surrounding outcomes of trade negotiations and how these will reshape global trade complicates a clear assessment of their impact on growth at this juncture.

Notwithstanding the external risks, growth will continue to be anchored primarily by resilient domestic demand. This provides a strong buffer against external headwinds. Household spending is expected to continue expanding, supported by continued wage and employment growth, particularly within domestic-oriented sectors as well as income-related policy measures. Investment activities will be driven by the continued implementation of multi-year projects across private and public sectors, further realisation of approved investments with a larger share by domestic players and the implementation of catalytic initiatives under the national master plans. Additionally, the continued demand for E&E goods, alongside higher tourist receipts will also provide cushion to growth.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2025, Bank Negara Malaysia)

7.2 Overview of building and construction industry in Malaysia

The value of work done in the construction sector continued its upward trend in the first quarter of 2025, recording a moderate increase of 16.6 per cent (4Q 2024: 23.1%). The performance was mainly driven by continued expansion in the special trade activities and residential buildings sub-sectors, which posted double digit growth of 35.5 per cent and 27.0 per cent, respectively. The non-residential buildings sub-sector also showed an increase of 21.0 per cent. Meanwhile, the civil engineering sub-sector remained positive with marginal growth of 3.7 per cent.

Of the RM42.90 billion in work done value recorded in the first quarter of 2025, RM15.70 billion or 36.6 per cent was attributed to the civil engineering sub-sector, primarily driven by the construction of roads and railways (RM7.90 billion) and utility projects (RM6.00 billion). Meanwhile, the value of work done for non-residential buildings and residential buildings was RM12.30 billion (share: 28.8%) and RM9.90 billion (share: 23.0%), respectively. The special trade activities contributed RM5.00 billion (share: 11.6%), largely in site preparation (RM1.30 billion); electrical installation (RM1.20 billion); and plumbing, heat and air-conditioning installation (RM1.10 billion) activities.

Construction sector by state showed nearly 63.4 per cent of the work done value in the first quarter of 2025 was concentrated in Selangor, Johor, Wilayah Persekutuan (Kuala Lumpur, Putrajaya and Labuan) and Sarawak. The construction work done value in Selangor amounted to RM11.10 billion or 25.9 per cent, attributed to civil engineering (RM4.30 billion) and residential buildings (RM2.90 billion) sub-sectors. Meanwhile, Johor ranked second with a value of RM7.70 billion or 18.0 per cent, mainly bolstered by the non-residential building sub-sector (RM3.60 billion). The work done value in Wilayah Persekutuan was RM4.50 billion (10.6%) while Sarawak recorded RM3.90 billion (9.0%).

(Source: Quarterly Construction Statistics First Quarter 2025 published on 9 May 2025, Department of Statistics Malaysia)

Sarawak and Pulau Pinang displayed stable and gradual growth, reflecting steady government-led infrastructure development and industrial expansion tailored to local needs. Sarawak's construction output was buoyed by infrastructure initiatives such as the Pan Borneo Highway, rural connectivity programs, and energy projects, notably in hydroelectric power.

Malaysia's construction sector demonstrates diverse growth trajectories across its states, each shaped by unique regional factors and development strategies. Selangor and Kuala Lumpur continue to lead with urban construction, driven by rapid population growth and infrastructure demands. Johor stands out with its large-scale initiatives, including Iskandar Malaysia and Forest City, positioning the state as a key player in visionary development projects. In Sarawak, the focus on infrastructure development, particularly in rural and industrial areas, plays a critical role in the state's economic expansion. Meanwhile, Penang is capitalising on its transformation into an economic hub, supported by industrial growth and strategic infrastructure projects.

(Source: Malaysian Economic Statistics Review Vol. 4 2025 published on 27 April 2025, Department of Statistics Malaysia)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

7.3 Prospects and future plans of the Group

SCIB Group is primarily involved in the following:-

(i) manufacturing and sale of precast concrete products such as concrete spun pipes, prestressed spun concrete piles, reinforced concrete ("**RC**") square piles, RC box culverts and prestressed girder beams ("**Manufacturing**");

(ii) construction, engineering, procurement, construction and commissioning ("**EPCC**"); and

(iii) project management including supply and installation of precast concrete industrialised building system ("**IBS**") components, which are building material for the construction of buildings, social amenities and infrastructure.

As at the LPD, the Group has 3 factories with wharf facility and capacity to supply 500,000 tonnes of building materials annually across Borneo. Moving forward, the Group intends to focus on, amongst others, growing its existing Manufacturing business.

As detailed in Section 4(i) of this announcement, the Company had on 26 January 2024 accepted an offer from the Land and Survey Department of Sarawak for the acquisition of the Lands, which is located within Demak Laut Industrial Park, Kuching, Sarawak, for a cash consideration of RM21.62 million. The Company intends to construct an industrial factory on the Lands as part of the Company's business strategies and plans to increase its production capacity for concrete-related products such as spun piles, spun pipes and reinforced concrete products.

The Company also plans to relocate its current factory in Pending Industrial Estate, Kuching, Sarawak to the new site at Demak Laut Industrial Park. The new site is strategically located within approximately 15 kilometres from Kuching City Centre, offers a larger land area and would enable the Group to expand its current production capacity to meet the anticipated increase in market demand for concrete-related products.

This move is in line with the development plans of the State Government of Sarawak over the coming years which includes the construction of public infrastructure projects throughout Sarawak. These are expected to include, amongst others, the construction of the Sarawak-Sabah Link Road as well as the upcoming completion of the Sarawak Pan Borneo Highway which is expected to enhance the road network within Sarawak and establish better connectivity to Sabah and Brunei. In turn, these public infrastructure projects are expected to lead to increased demand for concrete-related products.

The Group's range of precast concrete and IBS products, quality certifications as well as production capacity position it favourably to support the building materials requirements for large public infrastructure projects as well as building schools and social amenities projects in Sarawak and the wider Borneo region. Thus, the Group will focus on continuously enhancing its manufacturing capabilities as this will position the Group favourably to capture opportunities to be appointed as a supplier of precast concrete and IBS products for large public infrastructure projects as well as building schools and social amenities projects.

In addition, the Group intends to focus on completing its current ongoing EPCC contracts and secure more EPCC projects. As at 30 May 2025, the Group is involved in EPCC and construction projects with total remaining contract value of RM165.76 million.

As a supplier of building materials, the Group is also positioned favourably to bid for and secure EPCC contracts for large public infrastructure projects as well as building schools and social amenities projects in Sarawak. Coupled with the upcoming development plans announced by the State Government of Sarawak, the Group will endeavour to secure more EPCC contracts to grow its order book and diversify its revenue.

Besides, in recognising Bintulu's growth potential, the Group had on 18 September 2024 and 6 November 2024 entered into a total of 5 sale and purchase agreements to acquire 5 parcels of land located at Kemena Land District, Bintulu, Sarawak, measuring approximately 9.84 hectares in total, for a total purchase consideration of approximately RM27.64 million. The purpose of this acquisition is to expand the Group's business operations by collaborating with developers to jointly develop and construct residential housing projects using the Group's manufactured products. This acquisition is expected to expand the Group's influence in the Sarawak region and contribute positively to its future earnings.

Premised on the above, the prospects of the Group appear positive whereby the pipeline of existing projects as well as the expansion in production capacity for concrete-related products are expected to contribute positively to the future earnings of the Group.

(Source: Management of SCIB)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

8. EFFECTS OF THE PROPOSALS

8.1 Share capital

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

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	Share capital RM'000	No. of Shares	Share capital RM'000	No. of Shares	Share capital RM'000
Issued share capital as at the LPD	699,247,887	187,829	699,247,887	187,829	699,247,887	187,829
New Shares to be issued assuming full exercise of the granted / vested LTIP Options	-	-	-	-	47,557,882	(3)10,486
New Shares to be issued assuming full granting and exercise of the LTIP Options	-	-	-	-	16,819,044	(4)2,503
Enlarged issued share capital after full exercise of LTIP Options	**699,247,887**	**187,829**	**699,247,887**	**187,829**	**763,624,813**	**200,818**
New Shares to be issued pursuant to the Proposed Rights Issue with Warrants	143,000,000	(1)10,010	699,247,887	(1)48,947	763,624,813	(1)53,454
Enlarged issued share capital after the Proposed Rights Issue with Warrants	**842,247,887**	**197,839**	**1,398,495,774**	**236,776**	**1,527,249,626**	**254,272**
New Shares to be issued assuming full exercise of the Warrants C	143,000,000	(2)10,010	699,247,887	(2)48,947	763,624,813	(2)53,454
Enlarged issued share capital after assuming full exercise of the Warrants C	**985,247,887**	**207,849**	**2,097,743,661**	**285,723**	**2,290,874,439**	**307,726**
Reduction of issued share capital arising from the Proposed Share Capital Reduction	-	(110,000)	-	(110,000)	-	(110,000)
Enlarged issued share capital after the Proposed Share Capital Reduction	**985,247,887**	**97,849**	**2,097,743,661**	**175,723**	**2,290,874,439**	**197,726**

Notes:-

(1) Based on an illustrative issue price of RM0.07 per Rights Share.

(2) Based on an illustrative exercise price of RM0.07 per Warrant C.

(3) Assuming a total of 47,557,882 granted / vested LTIP Options are fully exercised into new Shares at an exercise price of RM0.2205 each and after accounting for the reversal of share option reserve.

(4) Assuming a total of 16,819,044 LTIP Options which may be granted / vested are fully exercised into new Shares at an illustrative exercise price of RM0.1488 each (based on approximately 10% discount to the 5-day VWAP of the Shares up to and including the LPD of RM0.1653).

8.2 Net assets ("NA") and gearing

The pro forma effects of the Proposals on the NA and gearing of the Group are as follows:-

Minimum Scenario

	Audited as at 30 June 2024 RM'000	(I) After the subsequent event[(1)] RM'000	(II) After (I) and the Proposed Rights Issue with Warrants[(2)(3)] RM'000	(III) After (II) and assuming full exercise of the Warrants C[(4)] RM'000	(IV) After (III) and the Proposed Share Capital Reduction RM'000
Share capital	177,560	187,829	187,671	207,319	97,319
Revaluation reserve	53,418	53,418	53,418	53,418	53,418
Foreign exchange translation reserve	(1,783)	(1,783)	(1,783)	(1,783)	(1,783)
Share option reserve	-	1,569	1,569	1,569	1,569
Warrant reserve	-	-	9,638	-	-
Accumulated losses	(78,214)	(81,120)	(81,470)	(81,470)	28,530
Shareholders equity / NA	**150,981**	**159,913**	**169,043**	**179,053**	**179,053**
Non-controlling interests	1,209	1,209	1,209	1,209	1,209
Total equity	**152,190**	**161,122**	**170,252**	**180,262**	**180,262**
No. of Shares in issue ('000)	658,738	699,248	842,248	985,248	985,248
NA per Share (RM)	0.23	0.23	0.20	0.18	0.18
Total borrowings (RM'000)	57,795	57,795	57,795	57,795	57,795
Gearing ratio (times)	0.38	0.36	0.34	0.32	0.32

Notes:-

(1) After accounting for the creation of share option reserve following the offer of 88,068,139 LTIP Options as well as the issuance of 776,000, 210,000 and 39,524,257 new Shares arising from the allotment of the LTIP Options at an issue price of RM0.2205 each on 18 December 2024, 6 January 2025 and 25 February 2025 respectively.

(2) Based on the issuance of 143,000,000 Rights Shares at an illustrative issue price of RM0.07 each together with 143,000,000 Warrants C.

(3) After accounting for the creation of warrant reserve based on the issuance of 143,000,000 Warrants C at an allocated fair value of RM0.0674 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Proposals of RM0.88 million.

(4) Based on an illustrative exercise price of RM0.07 per Warrant C and after accounting for the reversal of warrant reserve.

Base Case Scenario

	Audited as at 30 June 2024 RM'000	(I) After the subsequent event[1] RM'000	(II) After (I) and the Proposed Rights Issue with Warrants[2][3][4] RM'000	(III) After (II) and assuming full exercise of the Warrants C[5] RM'000	(IV) After (III) and the Proposed Share Capital Reduction RM'000
Share capital	177,560	187,829	189,117	285,194	175,194
Revaluation reserve	53,418	53,418	53,418	53,418	53,418
Foreign exchange translation reserve	(1,783)	(1,783)	(1,783)	(1,783)	(1,783)
Share option reserve	-	1,569	1,569	1,569	1,569
Warrant reserve	-	-	47,129	-	-
Accumulated losses	(78,214)	(81,120)	(81,470)	(81,470)	28,530
Shareholders equity / NA	**150,981**	**159,913**	**207,980**	**256,928**	**256,928**
Non-controlling interests	1,209	1,209	1,209	1,209	1,209
Total equity	**152,190**	**161,122**	**209,189**	**258,137**	**258,137**
No. of Shares in issue ('000)	658,738	699,248	1,398,496	2,097,744	2,097,744
NA per Share (RM)	0.23	0.23	0.15	0.12	0.12
Total borrowings (RM'000)	57,795	57,795	38,795	38,795	38,795
Gearing ratio (times)	0.38	0.36	0.19	0.15	0.15

Notes:-

(1) After accounting for the creation of share option reserve following the offer of 88,068,139 LTIP Options as well as the issuance of 776,000, 210,000 and 39,524,257 new Shares arising from the allotment of the LTIP Options at an issue price of RM0.2205 each on 18 December 2024, 6 January 2025 and 25 February 2025 respectively.

(2) Based on the issuance of 699,247,887 Rights Shares at an illustrative issue price of RM0.07 each together with 699,247,887 Warrants C.

(3) After accounting for the creation of warrant reserve based on the issuance of 699,247,887 Warrants C at an allocated fair value of RM0.0674 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Proposals of RM0.88 million.

(4) After accounting for the utilisation of proceeds from the Proposed Rights Issue with Warrants for repayment of borrowings pursuant to Section 4(ii) of this announcement.

(5) Based on an illustrative exercise price of RM0.07 per Warrant C and after accounting for the reversal of warrant reserve.

Maximum Scenario

	Audited as at 30 June 2024 RM'000	(I) After the subsequent event(1) RM'000	(II) After (I) and assuming full exercise of LTIP Options(2) RM'000	(III) After (II) and the Proposed Rights Issue with Warrants(3)(4)(5) RM'000	(IV) After (III) and assuming full exercise of the Warrants C(6) RM'000	(V) After (IV) and the Proposed Share Capital Reduction RM'000
Share capital	177,560	187,829	202,388	203,843	308,765	198,765
Revaluation reserve	53,418	53,418	53,418	53,418	53,418	53,418
Foreign exchange translation reserve	(1,783)	(1,783)	(1,783)	(1,783)	(1,783)	(1,783)
Share option reserve	-	1,569	-	-	-	-
Warrant reserve	-	-	-	51,468	-	-
Accumulated losses	(78,214)	(81,120)	(81,120)	(81,470)	(81,470)	28,530
Shareholders equity / NA	**150,981**	**159,913**	**172,903**	**225,476**	**278,930**	**278,930**
Non-controlling interests	1,209	1,209	1,209	1,209	1,209	1,209
Total equity	**152,190**	**161,122**	**174,112**	**226,685**	**280,139**	**280,139**
No. of Shares in issue ('000)	658,738	699,248	763,625	1,527,250	2,290,874	2,290,874
NA per Share (RM)	0.23	0.23	0.23	0.15	0.12	0.12
Total borrowings (RM'000)	57,795	57,795	57,795	38,795	38,795	38,795
Gearing ratio (times)	0.38	0.36	0.33	0.17	0.14	0.14

Notes:-

(1) After accounting for the creation of share option reserve following the offer of 88,068,139 LTIP Options as well as the issuance of 776,000, 210,000 and 39,524,257 new Shares arising from the allotment of the LTIP Options at an issue price of RM0.2205 each on 18 December 2024, 6 January 2025 and 25 February 2025 respectively.

(2) After assuming:-
   (i) all the 47,557,882 granted / vested LTIP Options are fully exercised into new Shares at an exercise price of RM0.2205 each and after accounting for the reversal of share option reserve;
   (ii) all the 16,819,044 outstanding LTIP Options which may be granted / vested are fully exercised into new Shares at an illustrative exercise price of RM0.1488, which represents approximately 10% discount to the 5-day VWAP of the Shares up to and including the LPD of RM0.1653 and after accounting for the reversal of share option reserve.

(3) Based on the issuance of 763,624,813 Rights Shares at an illustrative issue price of RM0.07 each together with 763,624,813 Warrants C.

(4) After accounting for the creation of warrant reserve based on the issuance of 763,624,813 Warrants C at an allocated fair value of RM0.0674 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Proposals of RM0.88 million.

(5) After accounting for the utilisation of proceeds from the Proposed Rights Issue with Warrants for repayment of borrowings pursuant to Section 4(ii) of this announcement.

(6) Based on an illustrative exercise price of RM0.07 per Warrant C and after accounting for the reversal of warrant reserve.

8.3 Substantial shareholder's shareholdings

The Proposed Share Capital Reduction will not have any effect on the substantial shareholder's shareholding in the Company as the Proposed Share Capital Reduction does not involve any issuance of new Shares.

The pro forma effects of the Proposed Rights Issue with Warrants on the substantial Shareholder's shareholding in the Company based on the Register of Substantial Shareholders of the Company as at the LPD are as follows:-

Minimum Scenario

	As at the LPD				(I) After the Proposed Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
Substantial shareholder	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Datuk Chong	40,543,257	5.80	-	-	183,543,257	21.79	-	-

	(II) After (I) and assuming full exercise of Warrants C			
	Direct		Indirect	
Substantial shareholder	No. of Shares	(3)%	No. of Shares	(3)%
Datuk Chong	326,543,257	33.14	-	-

Notes:-
(1) Based on the issued share capital of 699,247,887 Shares.
(2) Based on the enlarged issued share capital of 842,247,887 Shares after the Proposed Rights Issue with Warrants.
(3) Based on the enlarged issued share capital of 985,247,887 Shares assuming full exercise of the Warrants C.

Base Case Scenario

	As at the LPD				(I) After the Proposed Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
Substantial shareholder	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Datuk Chong	40,543,257	5.80	-	-	81,086,514	5.80	-	-

Substantial shareholder	(II) After (I) and assuming full exercise of Warrants C			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Datuk Chong	121,629,771	5.80	-	-

Notes:-
(1) Based on the issued share capital of 699,247,887 Shares.
(2) Based on the enlarged issued share capital of 1,398,495,774 Shares after the Proposed Rights Issue with Warrants.
(3) Based on the enlarged issued share capital of 2,097,743,661 Shares assuming full exercise of the Warrants C.

Maximum Scenario

Substantial shareholders	As at the LPD				(I) After assuming full exercise of LTIP Options			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Datuk Chong	40,543,257	5.80	-	-	40,543,257	5.31	-	-

Substantial shareholders	(II) After (I) and the Proposed Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Datuk Chong	81,086,514	5.31	-	-	121,629,771	5.31	-	-

Notes:-
(1) Based on the issued share capital of 699,247,887 Shares.
(2) Based on the enlarged issued share capital of 763,624,813 Shares assuming full exercise of LTIP Options.
(3) Based on the enlarged issued share capital of 1,527,249,626 Shares after the Proposed Rights Issue with Warrants.
(4) Based on the enlarged issued share capital of 2,290,874,439 Shares assuming full exercise of the Warrants C.

8.4 Earnings and earnings per Share ("EPS")

The Proposed Share Capital Reduction will not have any impact on the consolidated earnings and EPS of the Company.

The effects of the Proposed Rights Issue with Warrants on the consolidated earnings and EPS of the Company will depend on, amongst others, the actual number of Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Proposed Rights Issue with Warrants. Assuming that the consolidated earnings of the Company remain unchanged, the EPS of the Company will be diluted as a result of the increase in the number of Shares in issue arising from the issuance of the Rights Shares and any new Shares arising from the exercise of the Warrants C.

For illustration, based on the audited consolidated financial statements of the Company for the FYE 30 June 2024 and assuming the Proposed Rights Issue with Warrants had been completed at the beginning of that financial year, the pro forma effects of the Proposed Rights Issue with Warrants on the consolidated earnings and EPS of the Company are as follows:-

	Audited for FYE 30 June 2024	After subsequent events[(1)]	(I) After the Proposed Rights Issue with Warrants			(II) After (I) and assuming full exercise of the Warrants C		
			Minimum Scenario[(2)]	Base Case Scenario[(3)]	Maximum Scenario[(4)]	Minimum Scenario[(5)]	Base Case Scenario[(6)]	Maximum Scenario[(7)]
PAT attributable to owners of the Company (RM'000)[(4)]	4,482	4,482	[(8)]4,132	[(8)]4,132	[(8)]4,132	[(8)]4,132	[(8)]4,132	[(8)]4,132
Weighted average no. of Shares ('000)	644,436	684,946	827,946	1,384,194	[(9)]1,512,948	970,946	2,083,442	[(9)]2,276,573
EPS (sen)	0.70	0.65	0.50	0.30	0.27	0.43	0.20	0.18

Notes:-
(1) After accounting for the issuance of 40,510,257 new Shares arising from the exercise of the LTIP Options from 1 July 2024 up to the LPD.
(2) Based on the issuance of 143,000,000 Rights Shares.
(3) Based on the issuance of 699,247,887 Rights Shares.
(4) Based on the issuance of 763,624,813 Rights Shares.
(5) Based on the issuance of 143,000,000 Warrants C.
(6) Based on the issuance of 699,247,887 Warrants C.
(7) Based on the issuance of 763,624,813 Warrants C.
(8) After accounting for estimated expenses incidental to the Proposals of RM0.35 million.
(9) After assuming:-
  (i) all the 47,557,882 granted / vested LTIP Options are fully exercised into new Shares;
  (ii) all the 16,819,044 outstanding LTIP Options which may be granted / vested are fully exercised into new Shares.

The pro forma effects above have not taken into consideration any returns which may be generated from the utilisation of the proceeds to be raised from the Proposed Rights Issue with Warrants.

8.5 Convertible securities

As at the LPD, the Company has 47,557,882 granted / vested LTIP Options which may be exercised and up to 16,819,044 new SCIB Shares / LTIP Options which may be granted, vested and/or exercised pursuant to the maximum allowable amount under the LTIP.

Save for the above, the Company does not have any other outstanding convertible securities as at the LPD.

9. APPROVALS REQUIRED AND CONDITIONALITY

9.1 Approvals required

The Proposals are subject to approvals being obtained from the following:-

(i) Bursa Securities for the following:-

(a) admission of the Warrants C to the Official List of the Main Market of Bursa Securities;

(b) listing and quotation of the Rights Shares and Warrants C on the Main Market of Bursa Securities; and

(c) listing and quotation of the new Shares to be issued arising from the exercise of the Warrants C on the Main Market of Bursa Securities;

(ii) the Shareholders for the Proposals at an extraordinary general meeting to be convened; and

(iii) any other relevant authorities and/or parties, if required.

9.2 Conditionality

The Proposed Rights Issue with Warrants and the Proposed Share Capital Reduction are not inter-conditional.

The Proposals are not conditional upon any other corporate exercise / scheme being or proposed to be undertaken by the Company.

10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there are no other corporate exercises which have been announced by the Company but are pending completion before the date of this announcement.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE OF THE COMPANY AND/OR PERSONS CONNECTED TO THEM

11.1 Proposed Rights Issue with Warrants

None of the Directors, major Shareholders, chief executive of the Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Rights Issue with Warrants apart from their respective entitlements under the Proposed Rights Issue with Warrants (including the right to apply for additional Rights Shares via excess Rights Shares applications) to which all Entitled Shareholders are similarly entitled to.

11.2 Proposed Share Capital Reduction

None of the Directors, major Shareholders, chief executive of the Company and/or persons connected to them have any interest, direct or indirect in the Proposed Share Capital Reduction.

12. DIRECTORS' STATEMENT

The Board, having considered the current and prospective financial position, needs and capacity of the Group, and after careful deliberation as well as taking into consideration the rationale, utilisation of proceeds and all other aspects of the Proposals, is of the opinion that the Proposals are in the best interests of the Company.

13. APPLICATION TO THE AUTHORITIES

The applications to the relevant authorities in relation to the Proposals shall be made within 2 months from the date of this announcement.

14. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all relevant approvals being obtained, the Proposals are expected to be completed by the 4th quarter of 2025.

15. ADVISER

Interpac has been appointed by the Company to act as the Principal Adviser in relation to the Proposals.

This announcement is dated 26 June 2025.