

## SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Type:	Announcement
Subject:	Others
Description:	Acceptance of Letter of Award by Indirect Wholly-Owned Subsidiary of Sarawak Consolidated Industries Berhad (“SCIB” “The Company”), SCIB Properties Sdn. Bhd. (“SCIBP”) for Securing Engineering, Procurement, Construction and Commissioning Contract.

Reference is made to the Company’s announcements dated 25 July 2024 and 30 July 2024. The Board wishes to announce the additional information pertaining to the Replies to Bursa Malaysia Securities Berhads’ queries to SCIB dated 29 July 2024 announced on 30 July 2024.

(Unless otherwise stated, the words and abbreviations used herein shall have the same meaning as those defined in the Announcements.)

The Board of Directors of SCIB is pleased to furnish the following additional information:

**1) *The rationale for SCIB (the holding company of SCIBP as the main contractor) to be the Corporate Guarantor in favour of MBSB Bank Berhad for the loan facilities granted to AWANA (as the project owner that awarded the contract).***

We refer to the Corporate Guarantee issued by SCIB to AWANA for banking facilities granted to AWANA in favour of the Bank (“Corporate Guarantee”). At the time the Corporate Guarantee was issued, AWANA was not considered a related party of SCIB and therefore, the Corporate Guarantee is not deemed as a related party transaction because no director from SCIB had been appointed to the AWANA’s board.

As of the date of this announcement, none of the Directors and / or major shareholders of the Company and / or person connected has any interest, direct and/or indirect in AWANA.

We are currently arranging for our Managing Director/Chief Executive Officer, Mr. Ku Chong Hong, who is also a director of SCIBP, to join the Board of AWANA. As of today, Mr. Ku Chong Hong is not a director or a shareholder of AWANA, and he has no intention of holding any shareholding interest in AWANA.

Nevertheless, subsequent to Mr. Ku’s appointment to the Board of AWANA, any future business dealings/ transactions with AWANA will not be regarded as related party transactions according to Chapter 10.08(11)(c) which specifies that, “*where a transaction between the listed issuer or any of its subsidiaries and another person, where there are no other interested relationships except for common directorships provided that the directors who have common directorships have shareholdings in the other person which is less than 5% other than via the listed issuer ; and no other interest such as commission or other kinds of benefit received from the listed issuer or any of its subsidiaries or the other person in relation to the said transaction.*”

**2) *Whether the appointment of SCIB as the Corporate Guarantor is in compliance with Paragraph 8.23(1) of the Main Market Listing Requirements and the justification.***

The Corporate Guarantee issued to AWANA in favour of the Bank will not have any effect on the issued share capital and the shareholdings of substantial shareholders of the Company nor has any material effect on the net assets of SCIB and its group of companies (“SCIB Group”) for the financial year ending 30 June 2025.

Nonetheless, the Corporate Guarantee will be disclosed as a Contingent Liability to the SCIB Group. In the event if the assets pledged as security for the banking facilities granted to AWANA are insufficient to cover the outstanding debts owed by AWANA to the bank upon default, the Bank will call upon the Corporate Guarantee. However, SCIBP was appointed as the exclusive main contractor for the Project and the drawdown of proceeds from the banking facilities shall be used to pay all related expenses for the project directly to SCIBP.

This announcement is dated 1 August 2024.