

SARAWAK CONSOLIDATED INDUSTRIES BERHAD (“SCIB” OR THE “COMPANY”)

PROPOSED PRIVATE PLACEMENT OF UP TO 65,873,763 NEW ORDINARY SHARES IN SCIB (“SCIB SHARES” OR “SHARES”), REPRESENTING 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES, IF ANY) PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 (“PROPOSED PRIVATE PLACEMENT”)

This announcement is dated 12 November 2024 (“**Announcement**”).

Reference is made to the Company’s announcement dated 28 October 2024 in relation to the Proposed Private Placement (“**Initial Announcement**”). Unless stated otherwise, abbreviations and definitions used throughout this Announcement shall bear the same meaning as those defined in the Initial Announcement.

Further to the Initial Announcement, on behalf of the Board, Malacca Securities wishes to announce the following additional information in relation to the Proposed Private Placement:-

1. DETAILS OF FUND RAISING EXERCISES UNDERTAKEN BY THE COMPANY IN THE PAST 5 YEARS

Save as disclosed below, the Company has not undertaken any other fund raising exercises in the past 5 years prior to the date of this Announcement.

1.1 Private Placement 2020

The Company had on 16 June 2020 completed a private placement of 36,750,000 new SCIB Shares at an issue price of RM1.82 per Share, which raised total gross proceeds of approximately RM66.89 million (“**Private Placement 2020**”).

As at LPD, the proceeds from the Private Placement 2020 were fully utilised as follows:-

<u>Details of utilisation</u>	<u>Note</u>	<u>Proposed utilisation</u> RM'000	<u>Actual utilisation up to LPD</u> RM'000	<u>Balance of proceeds</u> RM'000
Working capital for on-going projects	(a)	6,806	(6,806)	-
Estimated expenses for future projects	(b)	59,408	(59,408)	-
Expenses related to the Private Placement 2020 and the proposal in relation to recurrent related party transactions of the Group	(c)	671	(671)	-
Total		66,885	(66,885)	-

Notes:-

- (a) The Group had utilised the proceeds to finance the day-to-day operational and/or general working capital expenses of the Group’s on-going projects. These expenses include, amongst others, the purchase of necessary construction materials, payment to subcontractors, staff-related overheads and other project overheads.

The proceeds had been utilised mainly for the following projects of the Group:-

- Construction, completion and maintenance of 6 villas (ground floor, 1st floor and penthouse including external majlis, ancillary block and external block works) at Al-Qutaifiya, Qatar;
- Earthwork job for toll road construction project Prabumulih - Muara Enim;
- Main building works Phase 1 Package C: Independent utility facility (“**IUF**”), at Kota Tinggi, Pengerang, Johor; and
- Main building works Phase 1 Package C: Maintenance, repair and overhaul (“**MRO**”) at Kota Tinggi, Pengerang, Johor.

(b) The proceeds allocated for the estimated expenses for future projects had been utilised to partially finance the initial expenses of the Group’s prospective construction and EPCC projects at the point in time. Such expenses include, but are not limited to, initial project costs (i.e. preliminary engineering and project design costs, tender deposit and/ or administrative costs), regulatory and/ or administrative costs, and procurement of raw materials (e.g. steel bars, cement, sand and timber) and site office overheads. The projects secured by the Group are as follows:-

- Development of 800 units residential houses under the Program Perumahan Penjawat Awam (PPAM) and 28 units shop houses in Muallim, Perak;
- Construction of 632 residential units under Perumahan Rakyat 1 Malaysia (PR1MA) Phase 1 in Kota Bharu, Kelantan;
- EPCC Contract for the development of a specialist hospital and multi-storey parking in Johor Bahru, Johor;
- Development of solid waste transfer station in Pekan Nenas, Pontian, Johor;
- Implementation of DAIF School Redevelopment Project in Sarawak State under the RM1 billion allocation (Phase 2) Package 13 at Sekolah Kebangsaan (“**SK**”) Nanga Pedai and SK Nanga Jagoi, Kanowit, Sibul;
- Development of one block of 35 storey serviced apartment building with 332 units of serviced apartments in Mukim Petaling, Kuala Lumpur;
- Substructure works for bridge for the East Coast Rail Link (“**ECRL**”) Section 1; and
- Construction of new school with 12 classrooms, 6 units of teachers’ house and other facilities at SK Kalok, Betong, Sarawak.

(c) This includes professional fees, placement fees, fees payable to authorities and other incidental expenses for the Private Placement 2020 the proposal in relation to recurrent related party transactions of the Group.

1.2 Private Placement 2021

The Company had on 22 December 2021 completed a private placement of 91,427,532 new SCIB Shares, which raised total gross proceeds of approximately RM41.76 million (“Private Placement 2021”).

A summary of the placement exercise is as follows:-

Tranche	Date of listing	Shares issued	Issue price	Amount raised
			RM	RM'000
First tranche	27 August 2021	10,789,332	0.5823	6,283
Second tranche	13 September 2021	24,638,200	0.5675	13,982
Third tranche	14 October 2021	56,000,000	0.3839	21,498
		91,427,532		41,763

As at LPD, the proceeds from the Private Placement 2021 were fully utilised as follows:-

Details of utilisation	Note	Proposed utilisation	Actual utilisation up to LPD	Balance of proceeds
		RM'000	RM'000	RM'000
Capital expenditure requirements for current operations	(a)	4,173	(4,173)	-
Partial settlement of a new business	(b)	3,431	(3,431)	-
Working capital for on-going projects	(c)	25,809	(25,809)	-
Estimated expenses for upcoming projects	(d)	5,150	(5,150)	-
Expenses related to the Private Placement 2021	(e)	3,200	(3,200)	-
Total		41,763	(41,763)	-

Notes:-

- (a) The proceeds allocated for the capital expenditure requirements for the current operations of the Group had been utilised for the following:-
- Purchase of a robotic three-dimensional (3D) construction printer machine;
 - Existing office renovation works for the Company’s head office building located at Kuching, Sarawak; and
 - Setting up of a batching plant for construction project in Pengerang, Johor for manufacturing of concrete for its construction projects application.

- (b) The Group had utilised the proceeds to part finance the purchase consideration amounting to RM4.98 million for acquisition of 1,000,000 ordinary shares representing the entire issued capital of Kencana Precast Concrete Sdn Bhd by SCIB from Noorazylawati Binti Abdul Bakar, Mohd Khairil Bin Mohd Hatta and Ibrahim Bin Mohd Noor pursuant to the share sale agreement entered on 14 April 2021.
- (c) The Group had utilised the proceeds to finance the day-to-day operational and/or general working capital expenses of the Group's on-going overseas and Malaysia projects as detailed below. These expenses include, amongst others, the purchase of construction materials such as steel bars, cement, sand and timber, payment to subcontractors and suppliers, and staff-related overheads such as project staff cost, accommodation for project staff, rental of equipment and utilities.

The proceeds had been utilised mainly for the following projects of the Group:-

- Development of 800 units residential houses under the Program Perumahan Penjawat Awam (PPAM) and 28 units shop houses in Muallim, Perak;
 - Construction of 632 residential units under Perumahan Rakyat 1 Malaysia (PR1MA) Phase 1 in Kota Bharu, Kelantan;
 - Maintenance of state roads in the State of Terengganu Darul Iman for the years 2021-2026. – Package 2 (South Zone);
 - Package 1: Road Infrastructure Projects in Bukit Goram / Katibas / Ngemah / Machan - Proposed Construction of Nanga Banjar / Nanga Makut Road, Katibas, Daerah Song, Sarawak;
 - Package 2: Road infrastructure projects in Pelagus/ Baleh - Proposed New Road from Baleh Bridge / RH. Belaja, Ng. Benin / SK. Ng. Pelagus / Pelagus Resort (Phase 1 – Section 1), Daerah Kapit, Sarawak;
 - Project engineering services for Dewan Bandaraya Kuala Lumpur (DBKL) Integrated Smart Lamp Pole Replacement, within Klang Valley, Malaysia, 200 units of Pole (Monopoles); and
 - Substructure works for bridge for ECRL Section 1 and Section 4.
- (d) The proceeds allocated for the estimated expenses for upcoming projects had been utilised to finance the initial expenses for the Group's prospective projects at the point in time and explore other business/investment opportunities. Such expenses include, but are not limited to, initial project costs such as preliminary engineering and project design costs, tender deposit and/ or administrative costs.
- (e) This includes professional fees, placement fees, fees payable to authorities and other incidental expenses for the Private Placement 2021.

1.3 Private Placement 2023

The Company had on 6 September 2023 completed a private placement of 58,203,753 new SCIB Shares, which raised total gross proceeds of approximately RM12.76 million (“Private Placement 2023”).

A summary of the placement exercise is as follows:-

<u>Tranche</u>	<u>Date of listing</u>	<u>Shares issued</u>	<u>Issue price</u> RM	<u>Amount raised</u> RM'000
First tranche	13 April 2023	25,000,000	0.1078	2,695
Second tranche	20 June 2023	33,203,753	0.3031	10,064
		<u>58,203,753</u>		<u>12,759</u>

As at LPD, the proceeds from the Private Placement 2023 were fully utilised as follows:-

<u>Details of utilisation</u>	<u>Note</u>	<u>Proposed utilisation</u> RM'000	<u>Actual utilisation up to LPD</u> RM'000	<u>Balance of proceeds</u> RM'000
Working capital	(a)	3,753	(3,753)	-
Repayment of bank borrowings	(b)	8,859	(8,859)	-
Expenses related to Private Placement 2023	(c)	147	(147)	-
Total		<u>12,759</u>	<u>(12,759)</u>	<u>-</u>

Notes:-

- (a) The proceeds allocated for the Group’s working capital had been utilised for the payment of the Group’s staff costs which include staff salaries, Directors’ remuneration and other statutory payments which includes contributions to the Employees Provident Fund Board and the Social Security Organisation, and deductions to be paid to the Inland Revenue Board.
- (b) The Group had partially repaid its bank borrowings (banker’s acceptance) of RM8.86 million.
- (c) This includes professional fees, placement fees, fees payable to authorities and other incidental expenses for the Private Placement 2023.