

## SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Date	20 September 2024
Type	Reply to Query
Reply Query Ref Number	IQL-19092024-00001
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	SARAWAK CONSOLIDATED INDUSTRIES BERHAD (“SCIB” OR “THE COMPANY”) - PROPOSED ACQUISITION OF ALL THAT PARCEL OF LAND AND APPURTENANCES THEREOF SITUATED AT BINTULU SIBIU ROAD, BINTULU CONTAINING AN AREA OF 2.49 HECTARES

*Unless otherwise stated, all abbreviations used herein shall have the same meaning as those mentioned in the announcement dated 18 September 2024 in relation to the Proposed acquisition of all that parcel of land and appurtenances thereof situated at Bintulu Sibiu Road, Bintulu containing an area of 2.49 hectares (“Announcement”).*

The Board of Directors of Sarawak Consolidated Industries Berhad (“SCIB” or “the Company”) wishes to inform that the Company has received Bursa Malaysia Securities Berhad’s request on 19 September 2024 for additional information in relation to the Proposed acquisition of all that parcel of land and appurtenances thereof situated at Bintulu Sibiu Road, Bintulu containing an area of 2.49 hectares. The additional information is as follows:-

**1) The information on the land pursuant to item 4, Part C Appendix 10A of the Main Market Listing Requirements.**

*Where the real estate is in the process of being developed or is intended to be developed, the following additional details:*

- (a) the details of development potential, i.e. name of the project, type of development - residential, industrial or commercial, number of units in respect of each type of development;*
- (b) the total development cost;*
- (c) the expected commencement and completion date(s) of development;*
- (d) the gross development value;*
- (e) the stage or percentage of completion;*
- (f) the sources of funds to finance the development cost; and*
- (g) whether relevant approvals for the development have been obtained and date(s) obtained.*

SCIB is in the preliminary stage for the development planning thus SCIB is unable to determine total development cost thus does not have a definite timeline for commencement and completion.

At this point, SCIB is unable to determine the sources of funds to finance the development. Upon completion of the land acquisition and upon finalisation of the above, SCIB will submit the development plan to relevant authorities for approval.

**2) The details of the appurtenances attached to the land.**

The parcel of land has no appurtenances attached to the Land.

**3) The detailed basis and justification to arrive at the purchase consideration, including but not limited to, the details of the condition of the land and the basis to determine the potential profitability from the proposed development on the land taking into consideration that no development plan has been determined to date.**

The Purchase Consideration was arrived on a “willing buyer and willing seller” basis.

The condition of the land is that it is vacant with no buildings erected which formed our basis of the purchase consideration.

SCIB in opinion that the land's prospects are positive, considering that it is situated in a prime area within 10 km of Bintulu city and is surrounded by medium to upper-class residential communities.

**4) The rationale to acquire the agricultural land when the intention of the Group is to develop the land into residential development.**

The cost of agricultural land is also lower than that of residential land. It is more economical to purchase agricultural land prior to its conversion into residential status.

**5) The estimated financial commitment required for the conversion of the agricultural land into mixed development and the source of funds.**

The estimated premium for converting agricultural land into residential development land is RM4,000 per unit of residential house, in addition to other miscellaneous fees.

According to the general guidelines, the maximum density allowed per acre is 10 units of landed residential.

Therefore, for 2.49 hectares (equivalent to 6.15 acres), the maximum number of landed residential units allowed to be developed cannot exceed 61 units.

Thus, the estimated premium for the conversion of the land is RM244,000.

At this point, SCIB has not determined the sources of fund.

**6. The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements (“MMLR”).**

The Company has recomputed the percentage ratio based on the latest audited financial statements for the financial year ended 30 June 2023 and the highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the MMLR is 11.16%.

This announcement is dated 20 September 2024.