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

PROPOSED PRIVATE PLACEMENT OF UP TO 10% OF THE ORDINARY SHARES OF SCIB

(Unless stated otherwise, abbreviations and definitions used throughout this announcement shall be the same as the announcement of the Company dated 11 January 2022)

Reference is made to the announcement made pursuant to the Proposed Private Placement on 11 January 2022 (reference number: GA1-10012023-00033) ("**Announcement**"), we wish to highlight that Section 2.5 of the Announcement should be read as follows (amended wordings are shown in underline):

2.5 Utilisation of proceeds

For illustration purposes, based on the proposed placement size of up to 82,722,252 Placement Shares at the Indicative Placement Issue Price, the Proposed Private Placement is expected to raise total gross proceeds of up to approximately RM10.98 million which is intended to be utilised in the following manner:

	Notes	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected timeframe for utilisation of proceeds*
Working capital	(i)	3,500	3,500	Within 12 months
Repayment of bank borrowings	(ii)	3,824	7,077	Within 12 months
Estimated expenses for the Proposed Private Placement	(iii)	400	400	Within 3 months
Total proceeds		**7,724**	**10,977**	

Notes:

* *From the date of listing of the Placement Shares.*

*(i) Part of the proceeds will be utilised as general working capital for SCIB and its subsidiaries ("**SCIB Group**" or "**Group**") as follows:*

Description/details	*Minimum Scenario (RM'000)*	*Maximum Scenario (RM'000)*
Payroll (staff salary)	*3,500*	*3,500*
Total	***3,500***	***3,500***

<u>The Company intends to utilise part of the proceeds to be raised from the Proposed Private Placement for payroll (staff salary) to supplement the existing working capital of the Group and to help improve the cash flow of the Group.</u>

(ii) The Company proposes to utilise up to approximately RM7.08 million of the proceeds to reduce the bank borrowings (banker's acceptance) of SCIB Group. The outstanding amount of banker's acceptance of SCIB Group as at the LPD amounted to approximately RM12.98 million.

The details of the bank borrowings that SCIB proposes to repay are as follows:

Description/ type of bank facilities	*Interest rate for the financing facility (%)*	*Outstanding amount as at the LPD (RM'000)*	*Amount proposed to repay*	
			Minimum Scenario (RM'000)	*Maximum Scenario (RM'000)*
Banker's acceptance	*4.55 – 5.05*	*12,979*	*3,824*	*7,077*

The repayment of bank borrowings of RM3.82 million and RM7.08 million under the Minimum Scenario and Maximum Scenario respectively, is expected to result in an estimated saving in interest payment of approximately RM0.18 million and RM0.34 million per annum based on the respective interest rates.

(iii) This includes payment of fees to Bursa Securities, adviser and placement agent. Any deviation in the actual amount of expenses for the Proposed Private Placement will be adjusted accordingly to/from the working capital of SCIB Group.

Pending the full utilisation of the proceeds raised from the Proposed Private Placement, the Company intends to place these proceeds (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institution(s) or in short term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as working capital of the SCIB Group, including but not limited to servicing of interest payment for the borrowings of SCIB Group.

The actual proceeds to be raised from the Proposed Private Placement is dependent on the issue price and actual number of Placement Shares issued. In the event of a variation in the actual gross proceeds raised due to differences in the issue price(s) and/or the number of Placement Shares to be issued, the amount proposed to be allocated for repayment of bank borrowings will be varied accordingly.

This announcement is dated 13 January 2023.