

**THIS CIRCULAR TO THE SHAREHOLDERS ("CIRCULAR") OF SARAWAK CONSOLIDATED INDUSTRIES BERHAD ("SCIB" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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## **SARAWAK CONSOLIDATED INDUSTRIES BERHAD**

(Registration No. 197501003884 (25583-W))

(Incorporated in Malaysia)

### **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-**

- (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")**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

**AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**Berjaya Securities Sdn Bhd**

(Formerly known as Inter-Pacific Securities Sdn Bhd)

Registration No. 197201001092 (12738-U)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of the Company that will be conducted at Wildrice Room 1 & 2, Level 9, St Giles Boulevard, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, on Thursday, 15 January 2026 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering the Proposals, together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Form of Proxy must be deposited at the office of the Company's share registrar at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur or alternatively to lodge the Form of Proxy electronically via Digerati Portal at <https://scib-egm.digerati.com.my> or email to [admin@aldpro.com.my](mailto:admin@aldpro.com.my), not less than forty-eight (48) hours before the time and date fixed for holding the EGM or at any adjournment thereof.

Last date and time for lodging the Form of Proxy  
Date and time of the EGM

: Tuesday, 13 January 2026 at 10.00 a.m.  
: Thursday, 15 January 2026 at 10.00 a.m.

This Circular is dated 26 November 2025

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

<b>Act</b>	- Companies Act, 2016
<b>Base Case Scenario</b>	- Assuming that:- <ul style="list-style-type: none"><li>(i) none of the 64,376,926 granted / vested LTIP Options as at the LPD are exercised into new Shares prior to the Entitlement Date; and</li><li>(ii) all the Entitled Shareholders and/or their renouncee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants C.</li></ul>
<b>Berjaya Securities or the Principal Adviser</b>	- Berjaya Securities Sdn Bhd (formerly known as Inter-Pacific Securities Sdn Bhd)
<b>Board</b>	- Board of Directors of the Company
<b>Bursa Depository</b>	- Bursa Malaysia Depository Sdn Bhd
<b>Bursa Securities</b>	- Bursa Malaysia Securities Berhad
<b>By-Laws</b>	- By-Laws governing the LTIP, as may be amended, modified, altered and/or supplemented from time to time
<b>Circular</b>	- This circular to Shareholders in relation to the Proposals
<b>CMSA</b>	- Capital Markets and Services Act, 2007, as amended from time to time including any re-enactment thereof
<b>Code</b>	- Malaysian Code on Take-Overs and Mergers, 2016
<b>Consideration</b>	- Premium of RM21.62 million payable by the Company for the alienation of the Lands to the Company
<b>Datuk Chong or the Undertaking Shareholder</b>	- Datuk Chong Loong Men, the Executive Chairman and a major Shareholder of the Company
<b>Deed Poll C</b>	- Deed poll constituting the Warrants C to be executed by the Company
<b>Demak Laut Industrial Park</b>	- Leasehold plots located within the Muara Tebas Land District at Taman Perindustrian Demak Laut Phase IIb (Stage 2), Kuching, Sarawak
<b>Directors</b>	- Directors of the Company, and shall have the meaning given in subsection 2(1) of the CMSA
<b>E&amp;E</b>	- Electrical and electronics
<b>EGM</b>	- Extraordinary general meeting
<b>Entitlement Date</b>	- A date to be determined by the Board and to be announced later, on which the names of Shareholders must be registered in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Rights Issue with Warrants

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**DEFINITIONS (CONT'D)**

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<b>Entitled Shareholders</b>	- Shareholders whose names appear in the Record of Depositors of the Company on the Entitlement Date
<b>EPCC</b>	- Engineering, procurement, construction and commissioning
<b>EPS</b>	- Earnings per share
<b>Foreign-Addressed Shareholders</b>	- Shareholders who have not provided to the Company a registered address or an address for service in Malaysia for the service of documents which will be issued in connection with the Proposed Rights Issue with Warrants
<b>FPE</b>	- Financial period ended
<b>FYE</b>	- Financial year ended
<b>GP</b>	- Gross profit
<b>IBS</b>	- Industrialised building system
<b>Lands</b>	- 5 industrial leasehold plots measuring a total of approximately 8.8544 hectares located at Demak Laut Industrial Park
<b>LAT</b>	- Loss after tax
<b>LBT</b>	- Loss before tax
<b>Listing Requirements</b>	- Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	- 12 November 2025, being the latest practicable date prior to the printing of this Circular
<b>LTIP</b>	- A long term incentive plan established and implemented by the Company on 24 July 2024 which comprises the SGP and the SOP, and involves 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) who fulfil the eligibility criteria as set out in the By-Laws
<b>LTIP Options</b>	- Options granted or which may be granted under the SOP pursuant to the LTIP that are exercisable into new SCIB Shares at a prescribed option price
<b>Manufacturing Business</b>	- Manufacturing and sale of precast concrete products such as concrete spun pipes, prestressed spun concrete piles, reinforced concrete square piles, reinforced concrete box culverts and prestressed girder beams
<b>Market Day</b>	- Any day on which Bursa Securities is open for trading in securities
<b>Maximum Scenario</b>	- Assuming that:-  (i) all the 64,376,926 granted / vested LTIP Options as at the LPD are 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.

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**DEFINITIONS (CONT'D)**

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<b>Minimum Scenario</b>	<ul style="list-style-type: none"><li>- Assuming that:-<ul style="list-style-type: none"><li>(i) none of the 64,376,926 granted / vested LTIP Options as at the LPD are exercised into new Shares prior to the Entitlement Date;</li><li>(ii) the Proposed Rights Issue with Warrants is undertaken on the Minimum Subscription Level to be met solely via the subscription of Rights Shares by the Undertaking Shareholder pursuant to his Undertaking; and</li><li>(iii) save for the Undertaking Shareholder, no other Entitled Shareholders and/or their renouncee(s) subscribe for the Rights Shares.</li></ul></li></ul>
<b>Minimum Subscription Level</b>	<ul style="list-style-type: none"><li>- Minimum subscription level to raise minimum proceeds of RM10.00 million which, if based on an illustrative issue price of RM0.07 per Rights Share, shall entail the subscription of an aggregate of approximately 143,000,000 Rights Shares together with 143,000,000 Warrants C</li></ul>
<b>NA</b>	<ul style="list-style-type: none"><li>- Net assets</li></ul>
<b>Official List</b>	<ul style="list-style-type: none"><li>- List specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed</li></ul>
<b>PAT</b>	<ul style="list-style-type: none"><li>- Profit after tax</li></ul>
<b>PBT</b>	<ul style="list-style-type: none"><li>- Profit before tax</li></ul>
<b>Proposals</b>	<ul style="list-style-type: none"><li>- Collectively, the Proposed Rights Issue with Warrants and the Proposed Share Capital Reduction</li></ul>
<b>Proposed Rights Issue with Warrants</b>	<ul style="list-style-type: none"><li>- Proposed renounceable rights issue of up to 763,624,813 Rights Shares together with up to 763,624,813 Warrants C on the basis of 1 Rights Share together with 1 Warrant C for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date</li></ul>
<b>Proposed Share Capital Reduction</b>	<ul style="list-style-type: none"><li>- Proposed reduction of the issued share capital of the Company by RM110.00 million pursuant to Section 117 of the Act</li></ul>
<b>Record of Depositors</b>	<ul style="list-style-type: none"><li>- A record of securities holders established by Bursa Depository pursuant to the Rules of Bursa Depository</li></ul>
<b>Rights Shares</b>	<ul style="list-style-type: none"><li>- New SCIB Shares to be issued pursuant to the Proposed Rights Issue with Warrants</li></ul>
<b>RM and sen</b>	<ul style="list-style-type: none"><li>- Ringgit Malaysia and sen, respectively</li></ul>
<b>Rules</b>	<ul style="list-style-type: none"><li>- Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC</li></ul>
<b>Rules of Bursa Depository</b>	<ul style="list-style-type: none"><li>- Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991, as amended from time to time</li></ul>
<b>SC</b>	<ul style="list-style-type: none"><li>- Securities Commission Malaysia</li></ul>
<b>SCIB or the Company</b>	<ul style="list-style-type: none"><li>- Sarawak Consolidated Industries Berhad</li></ul>

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**DEFINITIONS (CONT'D)**

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<b>SCIB Group or the Group</b>	- Collectively, SCIB and its subsidiaries
<b>SCIB Shares or Shares</b>	- Ordinary shares in SCIB
<b>SCM</b>	- SCIB Concrete Manufacturing Sdn Bhd, an indirect wholly-owned subsidiary of the Company
<b>SGP</b>	- Share grant plan
<b>Shareholders</b>	- Shareholders of SCIB
<b>SOP</b>	- Share option plan
<b>TERP</b>	- Theoretical ex-rights price
<b>Undertaking</b>	- The written undertaking from the Undertaking Shareholder dated 26 June 2025 pursuant to which the Undertaking Shareholder has irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for his entitlement of Rights Shares and additional Rights Shares not taken up by other Entitled Shareholders by way of excess applications, 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 renounce(s) (including the Undertaking Shareholder) amount to not less than RM10.00 million, details of which are set out in Section 2.3 of this Circular
<b>VWAP</b>	- Volume-weighted average market price
<b>Warrants C</b>	- Free detachable warrants in the Company to be allotted and issued pursuant to the Proposed Rights Issue with Warrants

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified. All references to “you” in this Circular are to the Shareholders.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between amounts stated and the totals in this Circular are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

Any exchange rate translation in this Circular is provided solely for the convenience of the Shareholders and should not be constituted as representative that the translated amount stated in this Circular could have been or would have been converted into such other amounts or vice versa.

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## EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. Shareholders are advised to read and carefully consider the contents of this Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming EGM.

Key information	Description	Reference to Circular																														
Summary of the Proposals	<p><b><u>Proposed Rights Issue with Warrants</u></b></p> <p>The Proposed Rights Issue with Warrants involves the issuance of up to 763,624,813 Rights Shares together with up to 763,624,813 Warrants C on the 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 later.</p> <p><b><u>Proposed Share Capital Reduction</u></b></p> <p>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.</p>	Sections 2 and 3																														
Minimum Subscription Level for the Proposed Rights Issue with Warrants	<p>Undertaking Shareholder and undertaking amount : Datuk Chong (Executive Chairman and a major shareholder of the Company): RM10.00 million</p> <p>Minimum Rights Shares to be subscribed for if none of the other Entitled Shareholders and/or their transferees and/or their renounees subscribe for the Rights Shares : Approximately 143,000,000 Rights Shares (based on an illustrative issue price of RM0.07 per Rights Share under the Minimum Scenario)</p>	Section 2.3																														
Utilisation of proceeds from the Proposed Rights Issue with Warrants	<p>Based on an illustrative issue price of RM0.07 per Rights Share, the gross proceeds to be raised from the Proposed Rights Issue with Warrants are intended to be utilised by the Group in the following manner:-</p> <table><tr><th>Utilisation of proceeds</th><th>Intended timeframe for utilisation</th><th>Minimum Scenario RM'000</th><th>Base Case Scenario RM'000</th><th>Maximum Scenario RM'000</th></tr><tr><td>(i) Construction of factory and purchase of machineries</td><td>Within 24 months</td><td>10,000</td><td>20,000</td><td>20,000</td></tr><tr><td>(ii) Repayment of bank borrowings</td><td>Within 12 months</td><td>-</td><td>19,000</td><td>19,000</td></tr><tr><td>(iii) Working capital</td><td>Within 12 months</td><td>-</td><td>9,067</td><td>13,574</td></tr><tr><td>(iv) Estimated expenses for the Proposals</td><td>Immediate</td><td>-</td><td>880</td><td>880</td></tr><tr><td colspan="2">Total</td><td>10,000</td><td>48,947</td><td>53,454</td></tr></table>	Utilisation of proceeds	Intended timeframe for utilisation	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	-	880	880	Total		10,000	48,947	53,454	Section 4
Utilisation of proceeds	Intended timeframe for utilisation	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	-	880	880																												
Total		10,000	48,947	53,454																												

## EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
<b>Rationale for the Proposals</b>	<p><b><u>Proposed Rights Issue with Warrants</u></b></p> <p>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:-</p> <ul style="list-style-type: none"> <li>(i) 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;</li> <li>(ii) the Proposed Rights Issue with Warrants provides an option for the Entitled Shareholders to increase or maintain their equity participation at a discount or to monetise their rights issue entitlements in the open market;</li> <li>(iii) the Proposed Rights Issue with Warrants can be implemented on a larger scale as compared to conventional private placements; and</li> <li>(iv) the Proposed Rights Issue with Warrants will enable the Company to raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.</li> </ul> <p>The free 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.</p> <p><b><u>Proposed Share Capital Reduction</u></b></p> <p>The Proposed Share Capital Reduction will allow the Company and the Group to rationalise their financial position by reducing their accumulated losses via cancellation of its issued share capital which is substantially unrepresented by available assets, to reflect more accurately the value of the underlying assets and financial position of the Company and the Group.</p>	Section 5
<b>Approvals required</b>	<p>The Proposals are subject to approvals being obtained from the following:-</p> <ul style="list-style-type: none"> <li>(i) Bursa Securities, the approval of which was obtained on 26 September 2025, for the admission of the Warrants C to the Official List as well as the listing of and quotation for the Rights Shares, Warrants C and new Shares to be issued arising from the exercise of the Warrants C on the Main Market of Bursa Securities;</li> <li>(ii) Shareholders at the forthcoming EGM; and</li> <li>(iii) any other relevant authorities and/or parties, if required.</li> </ul>	Section 11.1
<b>Interests of Directors, major Shareholders, chief executive of the Company and/or persons connected to them</b>	<p><b><u>Proposed Rights Issue with Warrants</u></b></p> <p>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 Proposals apart from their respective entitlements under the Proposed Rights Issue with Warrants (including the right to apply for additional Rights Shares via excess shares applications), to which all Entitled Shareholders are similarly entitled.</p> <p><b><u>Proposed Share Capital Reduction</u></b></p> <p>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.</p>	Section 13
<b>Board's recommendation</b>	<p>The Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM, the details of which are set out in the cover page of this Circular and the Notice of EGM as enclosed.</p>	Section 14





## **SARAWAK CONSOLIDATED INDUSTRIES BERHAD**

(Registration No. 197501003884 (25583-W))  
(Incorporated in Malaysia)

### **Registered Office**

Lot 1258, Jalan Utama  
Pending Industrial Estate  
93450 Kuching  
Sarawak

26 November 2025

### **Board of Directors**

Datuk Chong Loong Men (Executive Chairman)  
Ku Chong Hong (Group Managing Director / Chief Executive Officer)  
Chiew Jong Wei (Executive Director / Chief Financial Officer)  
Tan Li Peng (Independent Non-Executive Director)  
Leow Wey Seng (Independent Non-Executive Director)  
Ling Chi Hoong (Independent Non-Executive Director)

### **To: Shareholders of Sarawak Consolidated Industries Berhad**

Dear Sir / Madam,

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

**(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)**

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### **1. INTRODUCTION**

On 26 June 2025, Berjaya Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals.

On 26 September 2025, Berjaya Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 26 September 2025, granted its approval for the following:-

- (i) admission of the Warrants C to the Official List;
- (ii) listing of and quotation for up to 763,624,813 Rights Shares and up to 763,624,813 Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities; and
- (iii) listing of and quotation for up to 763,624,813 new SCIB Shares to be issued arising from the exercise of the Warrants C on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in Section 11 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSALS AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

## **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 Circular. 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 Listing Requirements 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 LTIP as well as the eventual subscription level for the Proposed Rights Issue with Warrants.

As at the LPD, the Company has 699,247,887 Shares in issue as well as 64,376,926 LTIP Options which have been granted / vested but not exercised. For information, these 64,376,926 LTIP Options are exercisable within 1 year from the date of offer on 28 August 2025 and is expiring on 27 August 2026, subject to the By-Laws.

Further to the above, assuming that all the 64,376,926 granted / vested LTIP Options as at the LPD are exercised into new Shares<sup>(1)</sup>, the Company would have an enlarged total number of 763,624,813 Shares in issue.

Note:-

- (1) For avoidance of doubt, in the event that the outstanding LTIP Options are exercised after the completion of the Proposed Rights Issue with Warrants, the new Shares to be issued arising from the exercise of such LTIP Options will not be entitled to the Rights Shares and Warrants C.

Hence, assuming that 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 up to 763,624,813 Rights Shares together with up to 763,624,813 Warrants C.

Notwithstanding the above, the Proposed Rights Issue with Warrants will be undertaken on the Minimum Subscription Level based on the Undertaking from the Undertaking Shareholder, details of which are set out in Section 2.3 of this Circular. Based on the Minimum Subscription Level, the Proposed Rights Issue with Warrants is assumed to entail the issuance of an aggregate of approximately 143,000,000 Rights Shares together with 143,000,000 Warrants C under the Minimum Scenario.

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

		<b>Minimum Scenario</b>	<b>Base Case Scenario</b>	<b>Maximum Scenario</b>
		<b>No. of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
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		-	-	64,376,926
		<b>699,247,887</b>	<b>699,247,887</b>	<b>763,624,813</b>
Rights Shares to be issued		<sup>(1)</sup> 143,000,000	699,247,887	763,624,813
<b>Enlarged total number of Shares after the Proposed Rights Issue with Warrants</b>	<b>[A]</b>	<b>842,247,887</b>	<b>1,398,495,774</b>	<b>1,527,249,626</b>
New Shares to be issued assuming full exercise of the Warrants C	<b>[B]</b>	<sup>(1)</sup> 143,000,000	699,247,887	763,624,813
<b>Enlarged total number of Shares</b>		<b>985,247,887</b>	<b>2,097,743,661</b>	<b>2,290,874,439</b>
Percentage of [B] against [A]		<sup>(2)</sup> 16.98%	<sup>(2)</sup> 50.00%	<sup>(2)</sup> 50.00%

**Notes:-**

- (1) Based on the Minimum Subscription Level, further details of which are set out in Section 2.3 of this Circular.
- (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 the 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 3 <sup>rd</sup> anniversary from the date of issuance of the Warrants C (" <b>Exercise Period</b> ") 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 Circular 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	<p>: 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:-</p> <p>(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</p> <p>(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.</p>
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 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.

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### 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 Group, which will be channelled towards the proposed utilisation as set out in Section 4 of this Circular.

The Minimum Subscription Level shall be met via an undertaking from Datuk Chong 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) amount to not less than RM10.00 million.

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 Undertaking				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.

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.

Pursuant to the Undertaking, the Undertaking Shareholder has:-

- (i) irrevocably and unconditionally undertaken that he shall not sell or in any way dispose or reduce his shareholding in the Company or any part thereof during the period commencing from the date of the Undertaking up to the completion date of the Proposed Rights Issue with Warrants; and
- (ii) confirmed that he has sufficient financial means and resources to satisfy in full the subscription amount of up to RM10.00 million that would be payable in connection with the Undertaking.

Berjaya Securities has verified the sufficiency of financial resources of the Undertaking Shareholder for the purpose of subscribing for the Rights Shares pursuant to his Undertaking.

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 renounee(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 Code and the 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.

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.

The pro forma effects of the Proposed Rights Issue with Warrants on the public shareholding spread of the Company under the Minimum Scenario are as follows:-

	As at the LPD		(I) After the Proposed Rights Issue with Warrants		(II) After (I) and assuming full exercise of the Warrants C	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(3)</sup>
Issued share capital	699,247,887	100.00	842,247,887	100.00	985,247,887	100.00
Less:						
Directors, substantial Shareholders and their associates <sup>(4)</sup>						
- Datuk Chong	40,543,257	5.80	183,543,257	21.79	326,543,257	33.14
- Ku Chong Hong	1,356,000	0.19	1,356,000	0.16	1,356,000	0.14
- Chai Tze Khang	331,000	0.05	331,000	0.04	331,000	0.03
- Herman Syah Bin Abdul Rahim	120,000	0.02	120,000	0.01	120,000	0.01
<b>Public shareholding spread</b>	<b>656,897,630</b>	<b>93.94</b>	<b>656,897,630</b>	<b>78.00</b>	<b>656,897,630</b>	<b>66.68</b>

Notes:-

- (1) Based on the issued share capital of 699,247,887 Shares as at the LPD.
- (2) Based on the issued share capital of 842,247,887 Shares after the Proposed Rights Issue with Warrants.
- (3) Based on the issued share capital of 985,247,887 Shares after assuming full exercise of the Warrants.
- (4) Includes directors of the subsidiaries of the Company. For information, apart from Chai Tze Khang and Herman Syah Bin Abdul Rahim, none of the directors of the subsidiaries of the Company hold any Shares as at the LPD.
- (5) Negligible.

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## **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 Circular;
- (b) 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 issue price of the Rights Shares shall be fixed such that it will be at a discount of between 25% and 45% 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 Circular; and

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

The illustrative issue price of RM0.07 per Rights Share represents a discount of 42.53% to the TERP of the Shares of RM0.1218, calculated based on the 5-day VWAP of the Shares up to and including the LPD of RM0.2255 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 25% and 45% 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 7.3 of this Circular, 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 42.53% to the TERP of the Shares of RM0.1218, calculated based on the 5-day VWAP of the Shares up to and including the LPD of RM0.2255 and assuming an illustrative issue price of RM0.07 per Rights Share.

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## **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.

## **2.7 Foreign-Addressed Shareholders**

An abridged prospectus together with its accompanying documents or any other documents to be issued in connection with the Proposed Rights Issue with Warrants are not intended to comply with the laws of any jurisdiction other than Malaysia and will not be lodged, registered or approved under applicable securities legislation of any jurisdiction other than Malaysia. Accordingly, the Proposed Rights Issue with Warrants will not be offered for subscription in any countries or jurisdictions other than Malaysia.

The abridged prospectus together with its accompanying documents or any other documents relating to the Proposed Rights Issue with Warrants will only be sent to Entitled Shareholders who have a registered address or an address for service of documents in Malaysia as registered in the Company's Record of Depositors on the Entitlement Date and will not be sent to Foreign-Addressed Shareholders as at the Entitlement Date.

Foreign-Addressed Shareholders who wish to provide Malaysian addresses should inform their respective stockbrokers to effect the change of address to send the documents to their address in Malaysia prior to the Entitlement Date.

Alternatively, such Foreign-Addressed Shareholders may collect the abridged prospectus from the Company's share registrar, who will be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the abridged prospectus.

The Company will not make or be bound to make any enquiry as to whether the Entitled Shareholders have a registered address other than as stated in the Company's Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith.

Foreign-Addressed Shareholders may only exercise their rights in respect of the Proposed Rights Issue with Warrants to the extent that it would be lawful to do so and the Company and/or any of its advisers would not, in connection with the Proposed Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign-Addressed Shareholders may be subject to.

Foreign-Addressed Shareholders will be responsible for payment of any issue or transfer fees or costs, and any taxes or requisite payments due in such jurisdiction and the Company shall be entitled to be fully indemnified and held harmless by such foreign applicants for any issue, transfer or any other taxes or duties as such persons may be required to pay. Foreign-Addressed Shareholders will have no claims whatsoever against the Company, its share registrar and/or any of its advisers in respect of their rights or entitlements under the Proposed Rights Issue with Warrants. Such applicants should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Proposed Rights Issue with Warrants.

The Foreign-Addressed Shareholders shall be solely responsible to seek advice as to the laws of any jurisdiction to which they may be subject, and participation by the applicants in the Proposed Rights Issue with Warrants shall be on the basis of a warranty by such applicants that they are allowed to do so lawfully without the Company and/or the advisers being in breach of the laws of any jurisdiction.

Neither the Company nor any of its advisers to the Proposed Rights Issue with Warrants shall accept any responsibility or liability in the event that any acceptance by a Foreign-Addressed Shareholder of his/her/its rights in respect of the Proposed Rights Issue with Warrants is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

Foreign-Addressed Shareholders who do not provide an address in Malaysia or who are not entitled to subscribe for the Rights Shares under the laws and jurisdiction to which they are subject, will have no claims whatsoever against the Company and/or any of its advisers in respect of their rights entitlements or any net proceeds arising from the Proposed Rights Issue with Warrants.

The Company reserves the right in its absolute discretion to treat any subscription of the Rights Shares as being invalid if it believes or has reason to believe that such subscription for the Rights Shares may violate applicable legal or regulatory requirements.

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### 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 FYE 30 June 2024 and the unaudited financial statements for the 12-month FPE 30 June 2025 are as follows:-

	Company		Group	
	As at 30 June 2025	As at 30 June 2024	As at 30 June 2025	As at 30 June 2024
	RM'000	RM'000	RM'000	RM'000
Accumulated losses	(55,380)	(52,376)	(74,987)	(78,214)
<u>Add:-</u> Credit arising from the Proposed Share Capital Reduction	110,000	110,000	110,000	110,000
<b>Resultant retained earnings</b>	<b>54,620</b>	<b>57,624</b>	<b>35,013</b>	<b>31,786</b>

For information, the Company had previously undertaken a reduction of RM40.00 million of its issued share capital during the FYE 30 June 2022 with the aim of eliminating the accumulated losses of the Company and the Group. At that point in time, the losses of the Company and the Group had accumulated since year 2006/2007 as a result of continuous net losses incurred by their business operations over the years. Nevertheless, the credit of RM40.00 million arising from such share capital reduction exercise was not sufficient to eliminate the then accumulated losses of the Company and the Group as the Group incurred substantial net losses during the FYE 30 June 2022 itself. Moreover, the Company had distributed dividends to shareholders in the preceding FYE 30 June 2021 which had deepened its accumulated losses position.

Since then, while the Company and the Group continued to incur further losses in FYE 30 June 2023 with LAT of RM16.11 million and RM23.64 million respectively, such losses were lower than the LAT of RM25.69 million and RM43.76 million recorded in the preceding FYE 30 June 2022. The losses in FYE 30 June 2023 were mainly contributed by further net impairment losses on trade and other receivables as well as contract assets of RM19.07 million, although this was lower than the net impairment losses of RM24.83 million recorded in the previous FYE 30 June 2022.

In the subsequent FYE 30 June 2024, the Group recorded a turnaround in its financial performance as it recorded a PAT of RM4.83 million mainly due to higher revenue and higher GP while it also no longer incurred the net impairment losses that were recorded in the past 2 financial years. However, the Company remained in the red with a LAT of RM12.72 million which was mainly contributed by net impairment losses of RM10.19 million on its investment in its subsidiary, namely SCIB Properties Sdn Bhd.

Further details and commentaries on the historical financial information of the Group are set out in Appendix I of this Circular.

Notwithstanding that the accumulated losses of the Company and the Group stood only at RM55.38 million and RM74.99 million respectively as at 30 June 2025 (unaudited), the Company had decided on a higher share capital reduction amount of RM110.00 million which would not only eliminate the accumulated losses of the Company and the Group, but also result in substantial surplus credit to be credited into retained earnings. The resultant retained earnings is meant to act as a buffer against any future losses that may be incurred by the Company and the Group moving forward.

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.

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#### 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 <sup>(4)</sup>	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 <sup>(5)</sup>	-	19,000	19,000
(iii) Working capital	Within 12 months	-	9,067	13,574
(iv) Estimated expenses for the Proposals	Immediate	<sup>(1)</sup> -	<sup>(2)</sup> 880	<sup>(2)</sup> 880
<b>Total</b>		<b><sup>(3)</sup>10,000</b>	<b>48,947</b>	<b>53,454</b>

**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.
- (5) The long utilisation timeframe of up to 12 months for the repayment of bank borrowings is intended to provide the Group with flexibility in managing its cash flows based on the operating and financing requirements of the Group at the relevant points in time.

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 Circular.



(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 alienation of the Lands measuring a total of approximately 8.8544 hectares located at Demak Laut Industrial Park subject to the payment of the Consideration of RM21.62 million.

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 relocation is undertaken to align with the Sarawak State Government's initiatives to develop Demak Laut Industrial Park into a dedicated industrial hub. These initiatives include, amongst others, the construction of a new bridge across the Sarawak River linking Sejingkat and Tanjung Bako, a new deep seaport, and a new Kuching International Airport in Tanjung Embang. Collectively, these developments are expected to strengthen Demak Laut Industrial Park's position as a strategic hub for commercial activities, positioning it for future economic success. These locational advantages will provide the Group with improved logistical efficiency and enhanced market accessibility.

The Consideration is payable 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. As part of the terms of the offer, the Company shall complete the construction of its new factory and commence operation within 3 years<sup>(1)</sup> from the date the issue documents of title to the Lands are registered in the name of the Company i.e. on 13 March 2024. Upon fulfilment of the said condition, the Company may apply for an exemption from paying the fourth and fifth annual instalments.

**Note:-**

(1) Vide a letter dated 30 September 2025, the Company has submitted an application to the Land and Survey Department of Sarawak for the extension of the construction period of SCM's new factory for another 2 years. As such, if the application is approved by the Land and Survey Department of Sarawak, the construction of SCM's new factory can be completed within 5 years from 13 March 2024, i.e. by 13 March 2029.

As at the LPD, the approval on the application for the extension of the construction period for an additional 2 years by the Land and Survey Department Sarawak is still pending.

On 29 October 2025, the appointed architect has received provisional approval for the construction of SCM's new factory from the State Planning Authority under the Ministry of Natural Resources and Urban Development, subject to the amendments being made in accordance with the revised layout and the payment of the approval fee amounting to RM9,600.91. As at the LPD, the construction of the new factory has commenced.

As at the LPD, the Company has paid the first and second annual instalments towards the Consideration as per the schedule below, and the remaining balance of RM11.69 million is expected to be met via bank borrowings that have already been secured by the Company. As at the LPD, the issue documents of title to the Lands have been registered in the name of SCIB. In the event the construction of the new factory is not completed within the stipulated period, the state government will take back and re-enter the Lands and 80% of the Consideration paid will be refunded without interest.

Year of instalment	Instalment to be paid for the Land (RM)
2024	5,684,524
2025	4,250,276
2026	4,250,276
2027	3,718,140
2028	3,718,140
<b>Total</b>	<b>21,621,356</b>

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 by approximately 30% to meet the anticipated increase in market demand for concrete-related products. The expansion is expected to allow the Company to capitalise on the growing demand arising from the development plans of the State Government of Sarawak over the coming years which includes the construction of public infrastructure projects throughout Sarawak.

For information purposes, the Group's existing factory in Pending Industrial Estate recorded an average production capacity utilisation rate of approximately 60% for the FYE 30 June 2024. Although it appears that the Group's production capacity has yet to reach full utilisation, the Company expects an increase in market demand for concrete-related products in anticipation of the development plans of the State Government of Sarawak over the coming years. In view thereof, the Company is taking the proactive step to expand its production capacity now to ensure that it is well-positioned to meet the anticipated future demand. The new factory with higher production capacity will not only address potential future capacity constraints, but also enable the Group to capture the upcoming opportunities arising from Sarawak's future development plans.

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

	Estimated costs RM'000
<b>Construction costs and purchase of machineries</b>	
<b><u>Construction costs of the new factory</u></b>	
General and preliminaries	1,030
Civil works, earthfill and soil treatment	8,830
Piling works and sub structure	7,792
Building works (office building)	450
Building works (factories, store, workshop, guard house, stock yard and auxiliary building)	15,730
Mechanical and electrical works (factories and office)	4,330
Machineries installation at site	1,000
Provision for contingency	1,000
	<b>40,162</b>
Purchase of machineries <sup>(1)</sup>	19,050
<b>Total</b>	<b>59,212</b>

Note:-

- (1) The Company intends to allocate up to RM19.05 million of the proceeds to be raised from the Proposed Rights Issue with Warrants for the acquisition of various machineries such as, amongst others, spinner and concrete feeder, caging machine, tensioning devices, mixer batching plants, gantries as well as travelling cranes.

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The abovementioned costs are expected to be funded in the following manner:-

Sources of funds	Minimum Scenario RM'000	Base Case Scenario RM'000	Maximum Scenario RM'000
Term financing facilities <sup>(1)</sup>	35,400	35,400	35,400
Proceeds from the Proposed Rights Issue with Warrants	10,000	20,000	20,000
Internally generated funds and/or borrowings / financing to be secured <sup>(2)</sup>	12,270	2,270	2,270
<b>Total</b>	<b>57,670</b>	<b>57,670</b>	<b>57,670</b>

**Notes:-**

- (1) As announced by the Company on 28 April 2025, SCM, an indirect wholly-owned subsidiary of the Company, has accepted a term financing facility of up to the aggregate sum of RM49.00 million from Malaysian Industrial Development Finance Berhad, out of which RM35.40 million is earmarked for the construction of the new factory and purchase of machineries as set out above.
- (2) The funding breakdown between internally generated funds and/or other borrowings / financing to be secured cannot be determined at this juncture as it will depend on, amongst others, the availability and suitability of securing additional borrowings / financing as well as the Group's cash flow and financing requirements at the relevant time.

**(ii) Repayment of bank borrowings**

As at the LPD, the total outstanding amount of the Group's bank borrowings stood at RM100.26 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	<sup>(1)</sup> Repayment amount RM'000	Estimated interest savings per annum RM'000
Bankers' acceptances	11,783	-	-
Bank overdrafts	6,446	6,000	<sup>(2)</sup> 455
Hire purchase	2,246	-	-
Term loans	57,344	-	-
Revolving credit	22,441	13,000	<sup>(3)</sup> 869
<b>Total</b>	<b>100,260</b>	<b>19,000</b>	<b>1,324</b>

**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 7.59% per annum.
- (3) Based on an effective interest rate of 6.68% 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:-

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

Notes:-

- (1) These include, amongst others, sand, aggregates, diesel, steel bars, prestressed concrete strand wire and steel bar used for production of concrete products.
- (2) As at the LPD, the Group has a total of 344 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.

For information, as announced by the Company on 18 October 2024, SCM, an indirect wholly-owned subsidiary of the Company, has accepted Islamic banking facilities amounting to RM48.00 million from Affin Islamic Bank Berhad, out of which RM13.00 million is earmarked for the purchase of raw materials and RM8.00 million is earmarked for working capital requirements. Nevertheless, as at the LPD, the said Islamic banking facilities have been partly utilised on the back of increased working capital requirements as the Group has been experiencing growing demand for its products. The Group requires additional funding via the proceeds from the Proposed Rights Issue with Warrants to meet its increased working capital requirements to ensure that it can cater for increased production, which also aligns with the Group's intention to relocate to a new factory with higher production capacity as set out in Section 4(i) of this Circular.

**(iv) Estimated expenses for the Proposals**

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

<b>Estimated expenses</b>	<b>Amount RM'000</b>
Professional fees <sup>(1)</sup>	700
Fees to relevant authorities	105
Miscellaneous expenses (printing, advertising and contingencies)	75
<b>Total</b>	<b>880</b>

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 Circular). 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.

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## 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 Circular.

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 monetise 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 monetise 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 Circular, 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.

For information, the Group's cash and bank balances stood at approximately RM24.31 million and RM 15.96 million as at 30 June 2024 (audited) and 30 June 2025 (unaudited) respectively. Based on this and taking into consideration the Group's existing operational requirements, the Group does not have enough cash reserves to meet its funding requirements as set out in Section 4 of this Circular.

Thus, it is imperative for the Group to undertake the Proposed Rights Issue with Warrants to meet its funding requirements to ensure that it can continue to operate smoothly and execute its business plans with the aim of achieving growth in earnings and higher returns to shareholders moving forward.

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 eliminating their accumulated losses via cancellation of its issued share capital which is substantially 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 elimination 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.

Moreover, the resultant retained earnings upon completion of the Proposed Share Capital Reduction is meant to act as a buffer against any future losses that may be incurred by the Company and the Group, thereby providing the Company and the Group with more flexibility in its capital management moving forward.

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## 6. EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY THE GROUP IN THE PAST 5 YEARS

Saved as disclosed below, the Group has not undertaken any other equity fund-raising exercises in the past 5 years before the date of the first announcement of the Proposed Rights Issue with Warrants:

### (i) Private Placement 2021

On 22 December 2021, the Company completed a private placement exercise involving the issuance of 91,427,532 new Shares (representing approximately 18.60% of the then existing total number of issued Shares before the private placement), raising a total of approximately RM41.76 million ("**Private Placement 2021**").

The proceeds raised from the Private Placement 2021 have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from the receipt of placement funds	Actual proceeds raised RM'000	Actual amount utilised RM'000
(i) Capital expenditure requirements for current operations <sup>(1)</sup>	Within 12 months	4,173	4,173
(ii) Partial settlement of a new business <sup>(2)</sup>	Within 6 months	3,431	3,431
(iii) Working capital for on-going projects <sup>(3)</sup>	Within 12 months	25,809	25,809
(iv) Expenses for upcoming projects <sup>(4)</sup>	Within 24 to 36 months	5,150	5,150
(v) Expenses for the Private Placement 2021	Upon completion of the Private Placement 2021	3,200	3,200
<b>Total</b>		<b>41,763</b>	<b>41,763</b>

#### Notes:-

(1) The proceeds were utilised to finance the capital expenditure requirements of the Group which comprised the following:-

- (a) purchase of a robotic three-dimensional construction printer machine;
- (b) renovation of SCIB's head office building in Kuching, Sarawak; and
- (c) setting up a batching plant for the manufacturing of concrete in Pengerang, Johor.

(2) SCIB had on 14 April 2021 entered into a conditional share sale agreement ("**SSA**") with Noorazylawati Binti Abdul Bakar, Mohd Khairil Bin Mohd Hatta and Ibrahim Bin Mohd Noor, who are non-related third parties, for the acquisition of the entire issued capital of Kencana Precast Concrete Sdn Bhd ("**KPCSB**") (now known as SCIB Building Solutions Sdn Bhd), a company principally involved in the construction business, for a total cash consideration of RM4.98 million ("**KPCSB Acquisition**").

Proceeds of RM3.43 million from the Private Placement 2021 have been utilised to part finance the purchase consideration amounting to RM4.98 million, while the remaining balance of RM1.55 million was funded via internally-generated funds. The KPCSB Acquisition was subsequently completed in December 2021.



- (3) The proceeds were utilised to partially finance the day-to-day operational and/or general working capital expenses of the Group's projects as listed 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.
- (i) development of 800 units of residential houses under the Program Perumahan Penjawat Awam (PPAM) and 28 units of shop houses in Muallim, Perak;
  - (ii) maintenance of state roads in Terengganu for the years 2021-2026 – Package 2 (South Zone);
  - (iii) construction of 632 residential units under Perumahan Rakyat 1 Malaysia (PR1MA) Phase 1 in Kota Bharu, Kelantan;
  - (iv) substructure works for bridge for East Cost Rail Link Project Section 1 and Section 4;
  - (v) project engineering services for Dewan Bandaraya Kuala Lumpur (DBKL) Integrated Smart Lamp Pole Replacement within Klang Valley;
  - (vi) executive accommodation for Petronas Refinery and Petrochemical Corporation Sdn Bhd and contractors under Petronas at Pengerang, Johor; and
  - (vii) renovation and refurbishment work for Amerald Resort Hotel at Pengerang, Johor.
- (4) The proceeds were utilised to finance necessary working capital to facilitate the initial expenses for the Group's projects as listed below:-
- (i) engineering services for installation of Maxis monopoles in Peninsular Malaysia;
  - (ii) development of 1 block of 35-storey serviced apartment building with 332 units of serviced apartments in Lot 36381, Mukim Petaling, Kuala Lumpur; and
  - (iii) proposed transit oriented development for KB Sentral in Kota Bharu, Kelantan.
- Such initial expenses included, amongst others, initial project costs such as consultancy fees, preliminary engineering and project design costs as well as tender deposit.

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(ii) **Private Placement 2023**

On 6 September 2023, the Company completed a private placement exercise involving the issuance of 58,203,753 new Shares (representing approximately 10% of the then existing total number of issued Shares before the private placement), raising a total of approximately RM12.76 million ("**Private Placement 2023**").

The proceeds raised from the Private Placement 2023 have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from the date of listing of the placement shares	Actual proceeds raised RM'000	Actual amount utilised RM'000
(i) Working capital <sup>(1)</sup>	Within 12 months	3,753	3,753
(ii) Repayment of bank borrowings <sup>(2)</sup>	Within 12 months	8,859	8,859
(iii) Expenses for the Private Placement 2023	Within 3 months	147	147
<b>Total</b>		<b>12,759</b>	<b>12,759</b>

Notes:-

- (1) The proceeds have been utilised for payment of the Group's staff costs which include staff salaries, Directors' remuneration and other statutory payments which include contributions to the Employees Provident Fund Board and the Social Security Organisation as well as deductions to be paid to the Inland Revenue Board.
- (2) The proceeds have been utilised to partially repay banker's acceptances.

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.

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## **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 second quarter of 2025 (the first quarter of 2025 (“1Q 2025”): 4.4%), driven by robust domestic demand. Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Of significance, both private and public investments recorded stronger expansion, supported by the realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower commodities-related exports. This was partially offset by continued E&E exports and robust tourism activity. At the same time, import growth was higher, driven by strong demand for capital goods, reflecting higher investment activities.

On the supply side, growth was driven by the services and manufacturing sectors. The services sector was supported by consumer-related and Government services. Steady growth in domestic-oriented clusters underpinned the performance in the manufacturing sector. Overall growth was weighed down by a contraction in the mining sector amid lower commodities production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.1% (1Q 2025: 0.7%).

Similar to other countries, Malaysia’s 2025 growth will be affected by tariff outcomes from trade negotiations. The external environment remains challenging. Uncertainty surrounding tariffs continues to linger and the impact will take time to fully materialise. Nonetheless, Malaysia is facing these challenges from a position of strength. Our economy remains on solid footing, supported by resilient domestic demand, continued demand for E&E goods, and a diversified export structure. These fundamentals, alongside continued structural reforms, ensure that Malaysia is well-positioned to navigate the evolving global landscape.

Notwithstanding the external risks, economic growth is firmly supported by resilient domestic demand, serving as a buffer against global headwinds. Employment and wage growth within domestic-oriented sectors and income-related policy measures will continue to support household spending. The expansion in investment activity will be sustained by several factors. This includes the progress of infrastructure projects, continued high realisation of approved private investments and implementation of national master plans. Malaysia’s export prospects could be raised by favourable outcomes from remaining trade negotiations, pro-growth policies in major economies, and robust tourism activity. The steady rollout of structural reforms, such as the implementation of announced national master plans and fiscal reform measures, is critical to boost our resilience against future shocks.

(Source: Economic and Financial Developments in Malaysia in the Second 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 amounted to RM43.9 billion in the second quarter of 2025, marking a growth of 12.9 per cent, following a 16.6 per cent increase in the previous quarter. This growth was driven by continued expansion in the special trade activities and non-residential buildings sub-sectors, which posted substantial double-digit growth of 22.2 per cent and 16.2 per cent, respectively. The residential buildings sub-sector also contributed significantly, expanding by 13.9 per cent. Meanwhile, the civil engineering sub-sector maintained a positive trend with a marginal growth of 7.5 per cent.

Of RM43.9 billion of work done value recorded in the second quarter of 2025, a total of RM16.3 billion or 37.1 per cent was attributed to the civil engineering sub-sector, primarily in the activity of construction of utility projects (RM8.1 billion), and roads and railways (RM6.5 billion). Meanwhile, the value of work done for non-residential

buildings and residential buildings sub-sectors accounted for RM12.4 billion (28.2%) and RM10.0 billion (22.8%), respectively. Additionally, the special trade activities sub-sector accounted for RM5.2 billion (11.9%), largely in site preparation (RM1.5 billion); electrical installation (RM1.2 billion); and plumbing, heat and air-conditioning installation (RM1.1 billion) activities.

The private sector remained the primary driver of growth in the construction sector, contributing RM28.2 billion or 64.2 per cent of the total value. It sustained its double-digit growth momentum at 19.3 per cent growth (1Q 2025: 23.7%), propelled by strong performance in the non-residential buildings (23.7%) and the special trade activities (22.8%) sub-sectors. Meanwhile, the value of work done by the public sector increased by 3.1 per cent (1Q 2025: 6.3%) to RM15.7 billion (share: 35.8%), which was primarily fuelled by the special trade activities sub-sector at 20.8 per cent growth.

Summarising the performance of the construction work for the first half of 2025, the sector posted a value of RM86.8 billion, reflecting a 14.7 per cent increase compared to the same period in 2024 (1Q 2024 to 2Q 2024: 17.2%). This growth was driven by positive performance across all sub-sectors, particularly in special trade activities (28.3%) and residential buildings (20.0%).

(Source: Quarterly Construction Statistics Second Quarter 2025 published on 11 August 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)

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### 7.3 Prospects and future plans of the Group

SCIB Group is primarily involved in the following:-

- (i) Manufacturing Business;
- (ii) construction / EPCC; and
- (iii) project management including supply and installation of precast concrete 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 a 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<sup>(1)</sup>.

Note:-

- (1) Nevertheless, this is dependent on the outcome of the proposed disposal of SCM, details of which are set out in Section 9 of this Circular.

As detailed in Section 4(i) of this Circular, the Company had on 26 January 2024 accepted an offer from the Land and Survey Department of Sarawak for the alienation of the Lands, which is located within Demak Laut Industrial Park, Kuching, Sarawak, for the 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 September 2025, the Group is involved in EPCC and construction projects with total remaining contract value of RM146.75 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)

#### **7.4 Value creation and impact to the Company and its Shareholders**

##### **(i) Proposed Rights Issue with Warrants**

The Proposed Rights Issue with Warrants will allow our Group to mainly fund the construction of new factory and purchase of machineries as set out in Section 4(i) of this Circular. This is expected to expand our Group's production capacity to meet the anticipated increase in market demand for concrete-related products, thereby contributing positively to our Group's earnings moving forward and leading to creation of value for the Company and its Shareholders.

The Proposed Rights Issue with Warrants is expected to result in an increase in the share capital and NA of our Group as well as a reduction in the Group's gearing upon the issuance of the Rights Shares to successful applicants. Further, the utilisation of proceeds for repayment of bank borrowings as set out in Section 4(ii) of this Circular is also expected to reduce our Group's gearing. However, the Proposed Rights Issue with Warrants is not expected to have any immediate material impact on the earnings of our Group apart from the expenses to be incurred for the Proposals. Further details on the effects of the Proposed Rights Issue with Warrants are set out in Section 8 of this Circular.

##### **(ii) Proposed Share Capital Reduction**

The Proposed Share Capital Reduction enables our Company to reduce our accumulated losses via cancellation of the issued share capital and thus, enhancing our credibility with bankers, customers, suppliers, investors and other stakeholders. It is also expected to provide a better financial platform for our Group's future growth.

## **7.5 Adequacy of the Proposals in addressing the Company's financial concerns**

After taking into consideration the utilisation of proceeds from the Proposed Rights Issue with Warrants as set out in Section 4 of this Circular, the rationale for the Proposals as set out in Section 5 of this Circular, the prospects and outlook of the building and construction industry in Malaysia as set out in Section 7.2 of this Circular, the value creation to the Company and its Shareholders as set out in Section 7.4 of this Circular as well as the effects of the Proposed Rights Issue with Warrants in Section 8 of this Circular, the Proposals are adequate to address our Company's financial concerns at this juncture.

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## 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	-	-	-	-	64,376,926	(3)9,399
<b>Enlarged issued share capital after full exercise of LTIP Options</b>	<b>699,247,887</b>	<b>187,829</b>	<b>699,247,887</b>	<b>187,829</b>	<b>763,624,813</b>	<b>197,228</b>
New Shares to be issued pursuant to the Proposed Rights Issue with Warrants	143,000,000	(1)9,480	699,247,887	(1)48,417	763,624,813	(1)52,924
<b>Enlarged issued share capital after the Proposed Rights Issue with Warrants</b>	<b>842,247,887</b>	<b>197,309</b>	<b>1,398,495,774</b>	<b>236,246</b>	<b>1,527,249,626</b>	<b>250,152</b>
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
<b>Enlarged issued share capital after assuming full exercise of the Warrants C</b>	<b>985,247,887</b>	<b>207,319</b>	<b>2,097,743,661</b>	<b>285,193</b>	<b>2,290,874,439</b>	<b>303,606</b>
Reduction of issued share capital arising from the Proposed Share Capital Reduction	-	(110,000)	-	(110,000)	-	(110,000)
<b>Enlarged issued share capital after the Proposed Share Capital Reduction</b>	<b>985,247,887</b>	<b>97,319</b>	<b>2,097,743,661</b>	<b>175,193</b>	<b>2,290,874,439</b>	<b>193,606</b>

**Notes:-**

- (1) Based on an illustrative issue price of RM0.07 per Rights Share and after accounting for estimated expenses incidental to the Proposals of RM0.35 million.
- (2) Based on an illustrative exercise price of RM0.07 per Warrant C.
- (3) Assuming a total of 64,376,926 granted / vested LTIP Options are fully exercised into new Shares at an option price of RM0.1268 each and after accounting for the reversal of share option reserve.



## 8.2

### 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 <sup>(1)</sup> RM'000	(II) After (I) and the Proposed Rights Issue with Warrants <sup>(2)(3)</sup> RM'000	(III) After (II) and assuming full exercise of the Warrants C <sup>(4)</sup> RM'000	(IV) After (III) and the Proposed Share Capital Reduction RM'000
Share capital	177,560	187,829	187,027	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	-	1,236	1,236	1,236	1,236
Warrant reserve	-	-	10,282	-	-
(Accumulated losses) / Retained earnings	(78,214)	(80,787)	(81,137)	(81,137)	28,863
<b>Shareholders equity / NA</b>	<b>150,981</b>	<b>159,913</b>	<b>169,043</b>	<b>179,053</b>	<b>179,053</b>
Non-controlling interests	1,209	1,209	1,209	1,209	1,209
<b>Total equity</b>	<b>152,190</b>	<b>161,122</b>	<b>170,252</b>	<b>180,262</b>	<b>180,262</b>
No. of Shares in issue ('000)					
NA per Share (RM)	658,738	699,248	842,248	985,248	985,248
	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, 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 as well as reversal of share option reserve following the cancellation of 47,557,882 LTIP Options and creation of share option reserve following the offer of 64,376,926 LTIP Options on 28 August 2025.
- (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 RM0.0719 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 <sup>(1)</sup> RM'000	(II) After (I) and the Proposed Rights Issue with Warrants <sup>(2)(3)(4)</sup> RM'000	(III) After (II) and assuming full exercise of the Warrants C <sup>(5)</sup> RM'000	(IV) After (III) and the Proposed Share Capital Reduction RM'000
Share capital	177,560	187,829	185,970	285,193	175,193
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	-	1,236	1,236	1,236	1,236
Warrant reserve	-	-	50,276	-	-
(Accumulated losses) / Retained earnings	(78,214)	(80,787)	(81,137)	(81,137)	28,863
<b>Shareholders equity / NA</b>	<b>150,981</b>	<b>159,913</b>	<b>207,981</b>	<b>256,928</b>	<b>256,928</b>
Non-controlling interests	1,209	1,209	1,209	1,209	1,209
<b>Total equity</b>	<b>152,190</b>	<b>161,122</b>	<b>209,190</b>	<b>258,137</b>	<b>258,137</b>
No. of Shares in issue ('000)					
NA per Share (RM)	658,738 0.23	699,248 0.23	1,398,496 0.15	2,097,744 0.12	2,097,744 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, 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 as well as reversal of share option reserve following the cancellation of 47,557,882 LTIP Options and creation of share option reserve following the offer of 64,376,926 LTIP Options on 28 August 2025.
- (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 RM0.0719 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 Circular.
- (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 <sup>(1)</sup> RM'000	(II) After (I) and assuming full exercise of LTIP Options <sup>(2)</sup> RM'000	(III) After (II) and the Proposed Rights Issue with Warrants <sup>(3)(4)(5)</sup> RM'000	(IV) After (III) and assuming full exercise of the Warrants C <sup>(6)</sup> RM'000	(V) After (IV) and the Proposed Share Capital Reduction RM'000
Share capital	177,560	187,829	197,228	195,247	303,606	193,606
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	-	1,236	-	-	-	-
Warrant reserve	-	-	-	54,905	-	-
(Accumulated losses) / Retained earnings	(78,214)	(80,787)	(80,787)	(81,137)	(81,137)	28,863
<b>Shareholders equity / NA</b>	<b>150,981</b>	<b>159,913</b>	<b>168,077</b>	<b>220,650</b>	<b>274,104</b>	<b>274,104</b>
Non-controlling interests	1,209	1,209	1,209	1,209	1,209	1,209
<b>Total equity</b>	<b>152,190</b>	<b>161,122</b>	<b>169,286</b>	<b>221,859</b>	<b>275,313</b>	<b>275,313</b>
No. of Shares in issue ('000)						
NA per Share (RM)	658,738 0.23	699,248 0.23	763,625 0.22	1,527,250 0.14	2,290,874 0.12	2,290,874 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, 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 as well as reversal of share option reserve following the cancellation of 47,557,882 LTIP Options and creation of share option reserve following the offer of 64,376,926 LTIP Options on 28 August 2025.
- (2) After assuming all the 64,376,926 granted / vested LTIP Options are fully exercised into new Shares at an option price of RM0.1268 each 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 RM0.0719 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 Circular.
- (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

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

Substantial shareholder	(II) After (I) and assuming full exercise of Warrants C		
	Direct		Indirect
	No. of Shares	(3)%	No. of Shares
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

Substantial shareholder	As at the LPD			(I) After the Proposed Rights Issue with Warrants		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(1)%	No. of Shares	(1)%	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		Indirect
	Direct		
	No. of Shares	(3)%	No. of Shares
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)		
	Direct		Indirect	After assuming full exercise of LTIP Options		Indirect
	No. of Shares	(1)%		No. of Shares	(2)%	
Datuk Chong	40,543,257	5.80	-	40,543,257	5.31	-

Substantial shareholders	(II)			(III)		
	After (I) and the Proposed Rights Issue with Warrants		Indirect	After (II) and assuming full exercise of the Warrants C		Indirect
	Direct			Direct		
	No. of Shares	(3)%	No. of Shares	No. of Shares	(4)%	No. of Shares
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 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 <sup>(1)</sup>	(I) After the Proposed Rights Issue with Warrants			(II) After (I) and assuming full exercise of the Warrants C		
			Minimum Scenario <sup>(2)</sup>	Base Case Scenario <sup>(3)</sup>	Maximum Scenario <sup>(4)</sup>	Minimum Scenario <sup>(5)</sup>	Base Case Scenario <sup>(6)</sup>	Maximum Scenario <sup>(7)</sup>
PAT attributable to owners of the Company (RM'000) <sup>(4)</sup>	4,482	4,482	<sup>(8)</sup> 4,132	<sup>(8)</sup> 4,132	<sup>(8)</sup> 4,132	<sup>(8)</sup> 4,132	<sup>(8)</sup> 4,132	
Weighted average no. of Shares ('000)	644,436	684,946	827,946	1,384,194	<sup>(9)</sup> 1,512,948	970,946	2,083,442	
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 all the 64,376,926 granted / vested LTIP Options 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

Save for the 64,376,926 granted / vested LTIP Options which may be exercised, the Company does not have any other outstanding convertible securities as at the LPD.

Based on the By-Laws, the Proposed Rights Issue with Warrants may give rise to adjustments to the option price and/or number of granted / vested LTIP Options which may be exercised ("**Adjustments**"). Any such Adjustments will only be finalised on the Entitlement Date and will be effective from the commencement of the next Market Day following the Entitlement Date. The details of such Adjustments shall be notified to the holders of LTIP Options in accordance with the By-Laws.

## 9. INFORMATION PERTAINING TO THE PROPOSED DISPOSAL OF SCM

On 2 October 2025, the Company announced that it has received an indicative letter of offer from YTL Cement (Sarawak) Sdn Bhd ("**YTL Cement Sarawak**"), an indirect subsidiary of YTL Corporation Berhad, to acquire 100% equity interest in SCM, an indirect wholly-owned subsidiary of the Company, at an indicative purchase price of RM113.00 million ("**Indicative Offer**").

Further to the above, the Board has deliberated on the matter and has resolved to accept the Indicative Offer, which in turn is subject to, amongst others, the signing of a definitive share sale and purchase agreement between the parties. Further to that, the disposal by the Company of SCM to YTL Cement Sarawak pursuant to the Indicative Offer is subject to shareholders' approval at an EGM to be convened.

Subsequently, on 18 November 2025, the Company and SCIB Holdings Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a conditional share sale and purchase agreement ("**SSPA**") with YTL Cement Sarawak for the proposed disposal of the entire equity interest in SCM for an indicative total cash consideration of RM113.00 million subject to adjustments in accordance with the SSPA and other terms and conditions as set out in the SSPA ("**Proposed Disposal**").

As at the LPD, the manufacturing segment of the Group is primarily operated under SCM. Accordingly, the Proposed Disposal would likely amount to the discontinuation of the Group's manufacturing segment. For information, SCM contributed 68.59% and 63.75% of the Group's total revenue in the latest audited FYE 30 June 2024 and latest unaudited 12-month FPE 30 June 2025.

Thus, given the materiality of the transaction, if the Proposed Disposal was to proceed, the business operations, future plans and prospects of the Group are expected to change materially. In turn, this would have a material impact on the Group's funding requirements moving forward. Consequently, the utilisation of proceeds from the Proposed Rights Issue with Warrants as disclosed in Section 4 of this Circular, whereby a substantial portion is earmarked for construction of factory and purchase of machineries in relation to its manufacturing segment, would no longer be relevant.

Given the above and depending on the progress and outcome of the Proposed Disposal, the Company will decide at the relevant point in time whether to proceed with the implementation of the Proposed Rights Issue with Warrants or to proceed with the Proposed Disposal.

If the Proposed Disposal is not approved by shareholders at the EGM or is aborted along the way before the EGM, the Company will proceed to implement the Proposed Rights Issue with Warrants as planned.

However, if the Proposed Disposal is approved by shareholders at the EGM, the Company will not proceed to implement the Proposed Rights Issue with Warrants based on the current scheme. Instead, the Company may announce a revised scheme for the Proposed Rights Issue with Warrants and submit a fresh application to Bursa Securities in relation thereto at a later date, subject to further assessment on the Group's funding requirements following the Proposed Disposal.

For the avoidance of doubt, the Proposed Share Capital Reduction is not conditional upon the Proposed Rights Issue with Warrants and *vice versa*. As such, regardless of the progress and outcome of the Proposed Disposal, the Company will still proceed to implement the Proposed Share Capital Reduction as planned.

The tentative timeline in respect of the Proposed Disposal leading to the EGM is envisaged to be as follows:-

Date	Events
18 Nov 2025	<ul style="list-style-type: none"> <li>Signing of the SSPA and detailed announcement of the Proposed Disposal</li> </ul>
End Nov 2025	<ul style="list-style-type: none"> <li>Submission of valuation reports to Bursa Securities<sup>(1)</sup></li> </ul>
End Dec 2025	<ul style="list-style-type: none"> <li>Submission of draft circular to shareholders in relation to the Proposed Disposal ("<b>Disposal Circular</b>") to Bursa Securities<sup>(1)</sup></li> </ul>
Mid Feb 2026	<ul style="list-style-type: none"> <li>Assuming Bursa Securities' clearance is obtained for the draft Disposal Circular</li> </ul>
End Feb 2026	<ul style="list-style-type: none"> <li>Despatch of the Disposal Circular to shareholders</li> </ul>
End Mar 2026	<ul style="list-style-type: none"> <li>EGM for the Proposed Disposal</li> </ul>

Note:-

(1) The Proposed Disposal is expected to result in the requirement to submit valuation reports and draft Disposal Circular to Bursa Securities pursuant to Paragraphs 10.04 and 10.07 of the Listing Requirements as it involves the disposal of a corporation which owns real estate and the highest percentage ratio applicable to the transaction is expected to be more than 25%.

## 10. TENTATIVE TIMELINE

Subject to all relevant approvals being obtained, the Proposals are expected to be completed by the 2<sup>nd</sup> quarter of 2026. The tentative timetable in relation to the implementation of the Proposals is as follows:-

Date	Events
15 Jan 2026	<ul style="list-style-type: none"> <li>EGM for the Proposals</li> </ul>
Early Mar 2026	<ul style="list-style-type: none"> <li>Submission and lodgement of documents to the Registrar of Companies for the Proposed Share Capital Reduction</li> <li>Completion of the Proposed Share Capital Reduction</li> </ul>
End Mar 2026	<ul style="list-style-type: none"> <li>Company to decide whether to proceed with the Proposed Rights Issue with Warrants based on the outcome of the EGM for the Proposed Disposal</li> </ul>
<b>If the Proposed Disposal is not approved by shareholders at the EGM</b>	
Mid Apr 2026	<ul style="list-style-type: none"> <li>Announcement of the Entitlement Date</li> <li>Entitlement Date</li> <li>Despatch of the abridged prospectus, notices of provisional allotment and rights subscription forms</li> </ul>
End May 2026	<ul style="list-style-type: none"> <li>Closing date of application for the Rights Shares with Warrants</li> <li>Listing and quotation of the Rights Shares and Warrants</li> <li>Completion of the Proposed Rights Issue with Warrants</li> </ul>

Notwithstanding the tentative timeline above, the Company may implement the Proposed Rights Issue with Warrants earlier if the Proposed Disposal is aborted along the way before the EGM as explained in Section 9 of this Circular.



## 11. APPROVALS REQUIRED AND CONDITIONALITY

### 11.1 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;
  - (b) listing of and quotation for up to 763,624,813 Rights Shares and up to 763,624,813 Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities; and
  - (c) listing of and quotation for up to 763,624,813 new SCIB Shares to be issued arising from the exercise of the Warrants C on the Main Market of Bursa Securities.

The approval of Bursa Securities for the above was obtained via its letter dated 26 September 2025, subject to the following conditions:-

Conditions		Status of compliance
(a)	SCIB and Berjaya Securities must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Proposed Rights Issue with Warrants, including compliance with the public shareholding spread requirements pursuant to Paragraph 8.02(1) of Listing Requirements upon the exercise of the Warrants C;	To be complied
(b)	Berjaya Securities to inform Bursa Securities upon completion of the Proposed Rights Issue with Warrants;	To be complied
(c)	Berjaya Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue with Warrants is completed;	To be complied
(d)	SCIB and Berjaya Securities are required to provide a written confirmation that the terms of Warrants C are in compliance with paragraph 6.54(3) of the Listing Requirements;	To be complied
(e)	SCIB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants C as at the end of each quarter together with a detailed computation of the listing fees payable; and	To be complied
(f)	To incorporate the comments made by Bursa Securities in the circular to shareholders.	Complied

- (ii) the Shareholders for the Proposals at the forthcoming EGM; and
- (iii) any other relevant authorities and/or parties, if required.

Further to the above, the implementation of the Proposed Rights Issue with Warrants is subject to the registration of the abridged prospectus by the SC.

The Proposed Share Capital Reduction does not require approval from any relevant regulatory authorities. For avoidance of doubt, the Proposed Share Capital Reduction is not subject to the approval of the Court, pursuant to Section 117 of the Act.

## **11.2 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.

## **12. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals and the Proposed Disposal as set out in Section 9 of this Circular, there are no other corporate exercises which have been announced by the Company but are pending completion before the date of this Circular.

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

### **13.1 Proposed Rights Issue with Warrants**

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 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.

### **13.2 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.

## **14. BOARD'S RECOMMENDATION**

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.

Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

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## **15. EGM**

The EGM, the notice of which is enclosed in this Circular together with the Form of Proxy, is scheduled to be held at Wildrice Room 1 & 2, Level 9, St Giles Boulevard, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, on Thursday, 15 January 2026 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing, with or without any modifications, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Form of Proxy in accordance with the instructions contained thereon, so as to arrive at the office of the Company's share registrar at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur or alternatively to lodge the Form of Proxy electronically via Digerati Portal at <https://scib-egm.digerati.com.my> or email to [admin@aldpro.com.my](mailto:admin@aldpro.com.my), not less than forty-eight (48) hours before the time and date fixed for holding the EGM or at any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM of SCIB should you subsequently wish to do so.

## **16. FURTHER INFORMATION**

The Shareholders of SCIB are advised to refer to the appendices for further information.

Yours faithfully,  
For and on behalf of the Board of  
**SARAWAK CONSOLIDATED INDUSTRIES BERHAD**

**KU CHONG HONG**  
Group Managing Director / Chief Executive Officer

## APPENDIX I – HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The following table sets out a summary of the historical financial information of the Group:-.

	Audited			Unaudited
	FYE 30 June 2022	FYE 30 June 2023	FYE 30 June 2024	12-month FPE 30 June 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	128,429	132,044	166,624	175,998
Cost of sales	(112,378)	(110,041)	(131,189)	(136,749)
<b>GP</b>	<b>16,051</b>	<b>22,003</b>	<b>35,435</b>	<b>39,249</b>
Other operating income	10,651	1,447	1,356	2,008
Administrative expenses	(46,603)	(17,397)	(19,351)	(26,949)
Selling and distribution expenses	(6,859)	(6,986)	(8,008)	(8,646)
Net impairment (losses)/ gain on financial assets and contract assets	(24,835)	(19,075)	793	296
Share of loss of equity-accounted associate, net of tax	(2)	-	-	-
Finance costs	(1,842)	(2,074)	(2,540)	(3,662)
<b>(LBT) / PBT</b>	<b>(53,439)</b>	<b>(22,082)</b>	<b>7,685</b>	<b>2,296</b>
Taxation	9,682	(1,560)	(2,859)	(3,816)
<b>(LAT) / PAT</b>	<b>(43,757)</b>	<b>(23,642)</b>	<b>4,826</b>	<b>(1,520)</b>
(LAT) / PAT attributable to:-				
- owners of the Company	(43,599)	(24,330)	4,482	(1,894)
- minority interest	(158)	688	344	374
GP margin (%)	12.50	16.66	21.27	22.30
(LAT) / PAT margin (%)	(34.07)	(17.90)	2.90	(0.86)
Weighted average no. of Shares in issue ('000)	559,248	588,358	644,436	675,535
(LPS) / EPS				
- basic (sen)	(7.80)	(4.14)	0.70	(0.28)
- diluted (sen)	(7.80)	(4.14)	0.70	(0.28)

### (i) 12-month FPE 30 June 2025 vs FYE 30 June 2024

The Group's revenue for 12-month FPE 30 June 2025 increased by RM9.37 million or 5.63% as compared to the FYE 30 June 2024. The higher revenue was mainly due to the higher project revenue recognized under the construction and EPCC segment.

In line with the higher revenue, the Group recorded a higher GP of RM39.25 million (GP margin of 22.30%) as compared to a GP of RM35.44 million (GP margin of 21.27%) in the previous financial year, representing an increase of RM3.81 million or 10.76%.

Despite the higher GP, the Group recorded a LAT of RM1.52 million as compared to a PAT of RM4.83 million in the previous financial year. The LAT was mainly due to higher administrative expenses arising from the creation of the share option reserve amounting to approximately RM2.91 million following the immediate vesting of the LTIP expenses and higher finance cost under the SOP pursuant to the LTIP.

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**APPENDIX I – HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONT'D)**

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**(ii) FYE 30 June 2024 vs FYE 30 June 2023**

The Group's revenue for FYE 30 June 2024 increased by RM34.58 million or 26.19% as compared to FYE 30 June 2023. The higher revenue was mainly due to higher sales volume of the foundation piles and IBS products from the Manufacturing Business as well as increase in recognition of construction work done arising from the completion of school projects and PR1MA Kelantan housing project under the construction and EPCC segment.

In line with the higher revenue, the Group recorded a higher GP of RM35.44 million (GP margin of 21.27%) as compared to a GP of RM22.00 million (GP margin of 16.66%) in the previous financial year, representing an increase of RM13.43 million or 61.05%.

In line with the higher GP, the Group recorded a PAT of RM4.83 million as compared to LAT of RM23.64 million in the previous financial year. Apart from the higher GP, the PAT was also contributed by the net reversal of impairment losses on trade and other receivables as well as contract assets amounting to RM0.79 million in FYE 30 June 2024 as compared to the net impairment losses on the trade and other receivables as well as contract assets amounting to RM19.07 million in the previous financial year. In turn, the reversal was mainly attributable to the collection of long due outstanding balance from clients, particularly from the PR1MA Kelantan housing project.

**(iii) FYE 30 June 2023 vs FYE 30 June 2022**

The Group's revenue for FYE 30 June 2023 increased by RM3.62 million or 2.81% as compared to FYE 30 June 2022. The higher revenue was mainly due to higher contribution from the Manufacturing Business which was driven by the Sarawak state government's initiatives in constructing infrastructures as well as school renovation and construction projects.

In line with the higher revenue, the Group recorded a higher GP of RM22.00 million (GP margin of 16.66%) as compared to a GP of RM16.05 million (GP margin of 12.50%) in the previous financial year, representing an increase of RM5.95 million or 37.08%.

In line with the higher GP, the Group recorded a lower LAT of RM23.64 million as compared to RM43.76 million in the previous financial year. Apart from the higher GP, the lower LAT was also contributed by the following:-

- (i) lower net impairment losses on trade and other receivables as well as contract assets of RM19.07 million (FYE 30 June 2022: RM24.83 million); and
- (ii) lower administrative expenses of RM17.40 million (FYE 30 June 2022: RM46.60 million) due to the absence of one-off expenses of RM26.44 million in relation to the feasibility studies and consultation expenses for 3 hydropower projects at Nepal, namely the Middle Hongu Khola A Hydro Power Plant, Middle Hongu Khola B Hydro Power Plant and the Myagdi Khola Hydropower Project ("**Hydropower Projects**"), incurred by the Group in the previous financial year. The Group had subsequently decided not to pursue the Hydropower Projects as the Group was not ready to venture into long-term projects with high capital expenditure requirements.

## APPENDIX II – FURTHER INFORMATION

### 1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

### 2. CONSENTS AND CONFLICT OF INTEREST

#### 2.1 Berjaya Securities

Berjaya Securities, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Berjaya Securities is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Principal Adviser for the Proposals.

### 3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

#### 3.1 Material commitments

Save as disclosed below, as at the LPD, the Board confirmed that there are no other material commitments incurred or known to be incurred by the Group:-

Material commitments	RM'000
Capital expenditure:- - Contracted for but not provided for	17,323
<b>Total</b>	<b>17,323</b>

#### 3.2 Contingent liabilities

Save as disclosed below, the Board confirmed that there are no other contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:-

Contingent liabilities	RM'000
Corporate guarantees given to bank for credit facilities granted to subsidiaries as at the LPD	108,380
Corporate guarantees given to bank for credit facilities granted to Awana JV Suria Saga Sdn Bhd (" <b>Awana</b> ") as at the LPD <sup>(1)</sup>	22,855
<b>Total</b>	<b>131,235</b>

Note:-

(1) On 25 July 2024, Awana has appointed SCIB Properties Sdn Bhd ("**SCIBP**"), an indirect wholly-owned subsidiary of the Company, as the main contractor of a project titled "Cadangan Pembangunan Project 800 Unit Perumahan Penjawat Awam Malaysia (PPAM) Muallim" ("**Project**") and SCIB became the corporate guarantor in favour of MBSB Bank Berhad ("**MBSB**") for the loan facilities granted by MBSB to Awana in order to facilitate the completion of the Project. Further details are set out in Section 5(g) of Appendix II of this Circular.

**4. MATERIAL CONTRACTS**

Save as disclosed below, as at the LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:-

**(a) Settlement Agreements**

On 6 July 2023, Awana JV Suria Saga Sdn Bhd ("**Awana**") and SCIB Properties Sdn Bhd ("**SCIBP**"), which is an indirect wholly-owned subsidiary of SCIB, had entered into a settlement agreement for Awana to repay RM18,715,249.52 to SCIBP according to the repayment terms set out therein. Awana has only repaid an amount of RM75,000.00 pursuant to the settlement agreement.

On 15 April 2024, Awana and SCIBP had entered into a conditional settlement cum appointment of contractor agreement for amongst others, appointment of SCIBP as the main contractor for a project and repayment of an amount of RM19,132,682.24 by Awana to SCIBP according to the repayment terms set out therein. Awana has failed to fulfil the condition precedent within the stipulated period.

SCIBP has initiated legal actions against Awana, details of which are set out in Section 5(g) of Appendix II of this Circular.

**(b) Capitalisation Agreement**

On 30 November 2023, SCIB, SCIBP and Goh Hardware & Construction Sdn Bhd ("**Goh Hardware**") had entered into a capitalisation agreement to capitalise an amount of RM11,301,266.80 owing by SCIBP to Goh Hardware via the issuance of 18,496,345 new ordinary shares in SCIB at an issue price of RM0.6110 per share to Goh Hardware. The capitalisation agreement has been completed on 9 April 2024.

**(c) Approval Letter from Land and Survey Department of Sarawak**

On 26 January 2024, SCIB had accepted an offer from the Land and Survey Department of Sarawak for alienation of the Lands i.e. Lot 787, 788, 789, 790 & 791 Block 4 Muara Tebas Land Districts (Plots 11, 12, 13, 14 & 15) at Taman Perindustrian Demak Laut Phase IIB (Stage 2) subject to five yearly instalment payments of premium up to RM21,621,356.00 according to the terms set out therein.

As at the LPD, SCIB has paid two yearly instalment payments of premium and the issue documents of title to the Lands have been registered in the name of SCIB.

**(d) Sale and Purchase Agreement**

On 18 September 2024, SCIBP had entered into a sale and purchase agreement with Gintek Sdn Bhd to purchase a land situated at Bintulu Sibiu Road, Bintulu, described as Lot 1673, Block 32 Kemena Land District for cash consideration of RM9,225,000.00. The sale and purchase agreement has been completed on 15 January 2025.

**(e) Sale and Purchase Agreement**

On 6 November 2024, SCIBP had entered into a sale and purchase agreement with James Wong Hee Beng to purchase a land situated at Jalan Bintulu-Sibu, Bintulu, described as Lot 17585, Block 32 Kemena Land District for cash consideration of RM2,000,000.00. The sale and purchase agreement has been completed on 27 March 2025.

**(f) Sale and Purchase Agreement**

On 6 November 2024, SCIBP had entered into a sale and purchase agreement with Wong Kwong Hie Enterprise Sdn Bhd and James Wong Hee Beng to purchase a land situated at Jalan Bintulu/Sibu, Bintulu, described as Lot 5937, Block 32 Kemena Land District for cash consideration of RM290,000.00. The sale and purchase agreement has been completed on 27 March 2025.

**(g) Sale and Purchase Agreement**

On 6 November 2024, SCIBP had entered into a sale and purchase agreement with Wong Kwong Hie Enterprise Sdn Bhd to purchase a land situated at Jalan Bintulu-Sibu, Bintulu, described as Lot 17586, Block 32 Kemena Land District for cash consideration of RM6,460,000.00. The sale and purchase agreement has been completed on 27 March 2025.

**(h) Sale and Purchase Agreement**

On 6 November 2024, SCIBP had entered into a sale and purchase agreement with Wong Kwong Hie Enterprise Sdn Bhd to purchase a land situated at Jalan Bintulu-Sibu, Bintulu, described as Lot 17587, Block 32 Kemena Land District for cash consideration of RM9,660,000.00. The sale and purchase agreement has been completed on 27 March 2025.

**(i) Sale and Purchase Agreement**

On 28 May 2025, SCIB Building Solutions Sdn Bhd, which is a wholly-owned subsidiary of SCIB, had entered into a sale and purchase agreement with Besi-tech Engineering Sdn Bhd to dispose a freehold industrial land held under Geran 212765, Lot 16024, Bandar Nilai Utama, District of Seremban, State of Negeri Sembilan bearing postal address at Lot 16024, Jalan Nilam 4, Kawasan Perindustrian Nilai Utama, 71800 Nilai, Negeri Sembilan for cash consideration of RM8,180,000.00. The sale and purchase agreement has been completed on 29 August 2025.

**(j) SSPA**

On 18 November 2025, the Company and SCIB Holdings Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a conditional share sale and purchase agreement with YTL Cement Sarawak for the Proposed Disposal as described in Section 9 of this Circular. As at the date of this Circular, the SSPA is pending the fulfilment of the condition precedent contained therein.

**5. MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, the Board confirmed that neither the Company nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Company and/or its subsidiaries and the Board confirmed that there are no proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and/or its subsidiaries:-

**(a) SCIB v Dynamic Prestige Consultancy Sdn Bhd (“DPC”)**

On 6 July 2023, SCIB had filed a writ of summons against DPC in the Shah Alam High Court under suit no.: BA-22NCC-83-07/2023 to recover a sum of RM14,000,000.00.



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**APPENDIX II – FURTHER INFORMATION (CONT'D)**

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In October 2022, DPC approached SCIB with a proposal for collaboration as a strategic partner to explore projects in the EPCC sector. Pursuant thereto, SCIB had in October 2022 and November 2022, paid RM14,000,000.00 in tranches to DPC. In consideration, DPC offered SCIB a redeemable convertible preference shares scheme in DPC ("**RCPS Scheme**").

Vide a letter dated 7 March 2023 by DPC to SCIB, DPC amongst others:-

- (i) acknowledged that DPC has received the sum of RM14,000,000 from SCIB; and
- (ii) stated that DPC shall refund to SCIB the RM14,000,000.00 in the event either party decided not to continue with the RCPS Scheme.

In May 2023, SCIB informed DPC of its intention not to proceed with the RCPS Scheme and requested for a refund of RM14,000,000.00 in which DPC has failed to do so. As a result, SCIB commenced legal action against DPC for the recovery of the sum of RM14,000,000.00.

The Shah Alam High Court had on 10 October 2025 dismissed SCIB's claim with costs of RM35,000.00.

On 27 October 2025, SCIB had filed an appeal to the Court of Appeal against the decision of Shah Alam High Court via Court of Appeal civil appeal no.: B-02(NCC)(W)-2141-10/2025. The e-review has been fixed for 26 January 2026.

The solicitors of SCIB maintains their view that SCIB had a good chance of success in its claims. However, given that the Shah Alam High Court has not provided its grounds of judgment pertaining the dismissal of SCIB's claims, the solicitors of SCIB are unable to provide a view on the chances of success of the appeal to the Court of Appeal at this juncture.

The solicitors of SCIB are of the view that it is likely that SCIB is able to recover the refund of RM14,000,000.00. However, this is dependent on the chances of success of the appeal which is wholly dependent on a review of the grounds of judgement by the Shah Alam High Court pertaining its decision in dismissing SCIB's claims on 10 October 2025.

Pending the disposal of the abovementioned suit, SCIB had on 30 January 2024 obtained from Shah Alam High Court a Mareva Injunction to prohibit DPC from dissipating its assets. DPC had on 28 February 2024 appealed vide Court of Appeal civil appeal no.: B-02(IM)(NCC)-366-03/2024 against the High Court's decision in granting the Mareva Injunction. DPC has withdrawn its appeal via its Notice of Discontinuance dated 18 August 2025.

**(b) Kabaz Sdn Bhd ("KSB") v SCIB**

On 26 May 2023, KSB had filed a writ of summons in Sepang Sessions Court under suit no.: BK-B52-5-05/2023 against SCIB for outstanding rental from December 2022 to March 2023 amounting to RM320,000.00 for premises located in Cyberjaya ("**Premises**") rented by SCIB.

In early 2020, both parties have entered into a letter of offer whereby KSB offered to SCIB and SCIB accepted the offer to purchase the Premises from KSB. SCIB then paid a sum of RM450,000.00 to KSB as earnest deposit ("**Earnest Deposit**") before the execution of a sale and purchase agreement ("**SPA**").

Pending the execution of the SPA, SCIB rented the Premises as their office commencing from 1 July 2020 to 31 March 2023 at monthly rental of RM80,000.00.

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**APPENDIX II – FURTHER INFORMATION (CONT'D)**

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The parties did not sign the SPA eventually. SCIB had proposed to KSB to set off the rentals for December 2022 until March 2023 by utilising the Earnest Deposit paid earlier to KSB in which KSB disagreed.

Thereafter, KSB commenced this suit against SCIB for the recovery of the outstanding rental sum as set out above.

In the same suit, SCIB on 17 July 2023 filed a counterclaim against KSB to return the Earnest Deposit.

On 23 January 2024, SCIB filed a determination application to expedite the litigation process without needing to go to trial. On 2 August 2024, the Court allowed the determination application and ruled in favour of both parties allowing KSB's claim for the outstanding rental sum of RM320,000.00 and SCIB's counterclaim for the refund of the Earnest Deposit.

Dissatisfied with the decision allowing SCIB's counterclaim, KSB had on 16 August 2024 filed an appeal to the Shah Alam High Court via suit no. BA-12A-44-08/2024. On 15 April 2025, the High Court allowed KSB's appeal and set aside the Sessions Court's decision allowing SCIB's counterclaim ("**High Court Order**").

On 8 May 2025, SCIB filed an appeal to the Court of Appeal against the High Court's decision via suit no. B-04(IM)-191-05/2025 ("**COA Appeal**"). Separately, on 11 June 2025, SCIB filed an application in the Sessions Court to stay the execution and enforcement of the judgment in favour of KSB pending the outcome of SCIB's appeal to the Court of Appeal ("**Stay Application**").

On 31 July 2025, SCIB applied to discontinue the Stay Application by filing a Notice of Discontinuance dated 29 July 2025. On 8 August 2025, the Sessions Court ordered that the Stay Application be struck out with no order as to costs.

On 18 July 2025, SCIB applied to the High Court to stay the execution and enforcement of the High Court Order pending the disposal of the COA Appeal. On 24 July 2025, the High Court granted a conditional stay of the enforcement and/or execution of the High Court Order subject to the condition that SCIB deposit the sum of RM320,000.00 into KSB's solicitors bank account by 28 July 2025. SCIB has complied with the condition.

COA Appeal scheduled for hearing on 10 April 2026.

The solicitors of SCIB are of the view that SCIB has reasonable prospects of success in its appeal to the Court of Appeal.

**(c) SCIB v Kencana Healthcare Sdn Bhd ("KHSB")**

On 9 June 2023, SCIB had filed a writ of summons in Shah Alam High Court under suit no.: BA-22NCvC-221-06/2023 against KHSB for recovery of commitment fee of RM1,650,000.00 paid by SCIB.

Pursuant to letter of award dated 13 August 2021 ("**LOA 13 August 2021**"), SCIB has been appointed to carry out the capital equipment procurement and leasing concession for the procurement, supply, installation, testing and commissioning of medical equipment in relation to the proposal for the development of a specialist hospital complex and parking ("**Hospital Project**").

Further to the said LOA 13 August 2021, the parties have signed a term sheet dated 30 August 2021 which contains further terms and conditions in addition to the said LOA 13 August 2021. Amongst others, SCIB is required to pay commitment fee in stages amounting to RM5,000,000.00 to KHSB. Pursuant to the term sheet, SCIB has paid the commitment fee of RM1,650,000.00 to KHSB.

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**APPENDIX II – FURTHER INFORMATION (CONT'D)**

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On 22 December 2022, both parties agreed that SCIB would withdraw from the Hospital Project and KHSB would refund the RM1,650,000.00 commitment fee to SCIB.

However, KHSB subsequently refused to return the commitment fee of RM1,650,000.00, leading to the commencement of this present suit.

On 25 July 2023, KHSB had in the same suit, filed a counterclaim for amongst others:-

- (i) defamation due to SCIB's publication of its withdrawals from the Hospital Project in newspapers; and
- (ii) the payment of the alleged outstanding commitment fee of RM3,350,000.00.

KHSB had subsequently on 18 September 2024 withdrew its counterclaim for defamation against SCIB.

The trial has been fixed for 3 August 2026 to 6 August 2026.

The solicitors of SCIB are of the view that SCIB has a good prospect of success in its claim against KHSB, and that the Court is likely to dismiss KHSB's counterclaim against SCIB.

**(d) SCIB Infracore Sdn Bhd ("SCIBI") vs Satria Kasturi Sdn Bhd ("SKSB")**

On 16 January 2025, SCIBI, which is an indirect wholly-owned subsidiary of SCIB, had filed a writ of summons in Shah Alam Sessions Court under suit no.: BA-B52NCvC-9-01/2025 against SKSB for an outstanding sum of RM801,295.92 in relation to a project titled "Pembangunan Stesen Pemindahan Sisa Pepejal di Pekan Nenas, Pontian, Johor Darul Takzim" ("**Pontian Project**") pursuant to a letter of award dated 30 August 2021 issued by SKSB to SCIBI ("**LOA 30 August 2021**"). The claim comprises three main components: (i) the Final Claim amounting to RM136,568.52 for work performed (as subcontractor), (ii) the Outstanding Consultation Fee paid by SCIBI to Pancaran PMC Solution amounting to RM622,038.60, and (iii) the Total Retention Sum of RM42,688.80.

Under the payment terms stipulated in the LOA 30 August 2021, SCIBI is entitled to receive 88% of the contract value for the Pontian Project upon SKSB's receipt of payment from its employer, Kementerian Perumahan dan Kerajaan Tempatan. Additionally, SKSB is obligated to pay a 4% consultation fee of RM631,740.60 to Pancaran PMC Solution, the project management consultant appointed by SKSB. However, at SKSB's request, SCIBI had on behalf of SKSB paid consultation fee to Pancaran PMC Solution.

On 5 September 2023, SKSB issued a notice of termination to SCIBI during the course of the contract's performance. Subsequently, SCIBI had on 28 October 2024 issued a letter of demand to SKSB for the outstanding sum mentioned above but no response was received, leading to the commencement of this suit.

On 13 February 2025, judgment in default was entered against SKSB. On 24 March 2025, SKSB filed an application to set aside the judgment in default which the Sessions Court has allowed the set aside application on 24 June 2025.

The matter is fixed for trial on 22, 23 and 27 July 2026.

However, both parties have agreed to opt for mediation prior to proceeding with the trial. The Court has accordingly fixed the mediation session on 20 January 2026.

The solicitors for SCIBI are of the view that SCIBI has a strong prospect of success on certain portions of the total claim. At this stage, SCIBI is likely to succeed in recovering the Final Claim and the Total Retention Sum. With respect to the Outstanding Consultation Fee, SCIBI is heavily reliant on a verbal agreement as key evidence to support its position.

**(e) Mohd Ismayadi Bin Ismail (“Plaintiff”) vs SCIB Sasoakai JV Sdn Bhd (“SCIB Sasoakai”)**

On 16 December 2024, the Plaintiff had filed a writ of summons in the Kemaman Sessions Court under suit no.: TB-A53KJ-54-12/2024 against SCIB Sasoakai, which is an indirect 70%-owned subsidiary of SCIB, to claim for damages of RM286,170.00 due to a motor vehicle accident that has happened on 23 February 2024, on a road which is under maintenance by SCIB Sasoakai.

The continued hearing for the matter has been fixed on 30 March 2026 by the Court. The negotiations for an out of court settlement between the parties are on-going.

The solicitors of SCIB Sasoakai are of the view that the Plaintiff is likely to succeed in his claim against SCIB Sasoakai. SCIB Sasoakai will be indemnified by its insurer of any amount of claims or damages that may be awarded by the Court to the Plaintiff in this suit.

**(f) Public Prosecutor vs SCIB Properties Sdn Bhd (“SCIBP”)**

On 24 December 2024, SCIBP, which is an indirect wholly-owned subsidiary of SCIB, was charged with two offences in Klang Sessions Court under criminal trial no.: BL-63-56-12/2024 in relation to a fatal accident occurred on 5 September 2023 at project site located at Lot 26493, Jalan Ibnu Sina, Kampung Rantau Panjang, 41400 Klang, Selangor. SCIBP is a sub-contractor for the project carried out at the project site and the deceased was employed by its sub-contractor.

The two offences are:-

- (i) failure as an employer to establish safe work procedures at the project site under Section 15(1) of the Occupational Safety and Health Act 1994; and
- (ii) failure as an employer to notify the nearest Department of Occupational Safety and Health office by the quickest means available of the accident under Regulation 5(1)(a)(aa) of the Occupational Safety and Health (Notification of Accidents, Dangerous Occurrences, Occupational Poisoning and Occupational Diseases) Regulations 2004.

If convicted, SCIBP may be subject to the following penalties:-

- (i) a fine not exceeding RM500,000.00 under the amended Section 19 of the Occupational Safety and Health Act 1994; and
- (ii) a fine not exceeding RM10,000.00 under Regulation 13 of the Occupational Safety and Health (Notification of Accidents, Dangerous Occurrences, Occupational Poisoning and Occupational Diseases) Regulations 2004.

SCIBP has not entered a plea of guilt and has claimed trial to both charges. The matter has been fixed for trial on 25 November 2025. The solicitors of SCIBP are of the view that SCIBP has a valid and arguable defence and ought not be held liable for the omissions of the employer of the deceased.

**(g) SCIBP and SCIB vs Awana and MBSB Bank Berhad (“MBSB”)**

On 5 February 2025, SCIBP and SCIB had filed a writ of summons in the Shah Alam High Court under suit no.: BA-22NCC-17-02/2025 (“**Suit 1**”) against Awana and MBSB seeking amongst others, the following:-

- (i) a declaration that the settlement cum appointment of contractor agreement dated 15 April 2024 between SCIBP and Awana (“**SA 2024**”) has lapsed and is no longer enforceable as at 3 January 2025;

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**APPENDIX II – FURTHER INFORMATION (CONT'D)**

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- (ii) a declaration that Awana's letter of award dated 25 July 2024 appointing SCIBP as its main contractor ("**LOA 25 July 2024**") has lapsed and is no longer enforceable as at 3 January 2025;
- (iii) an order directing Awana to do all that is necessary to cause SCIB to be discharged as corporate guarantor in favour of MBSB; and
- (iv) an injunction to restrain Awana from utilising and MBSB from permitting the utilisation of the loan facilities granted by MBSB to Awana ("**Loans**").

On 7 May 2021, SCIBP was appointed by Awana as the main contractor for a project titled "Cadangan Pembangunan Project 800 Unit Perumahan Penjawat Awam Malaysia (PPAM) Muallim" ("**Project**"). The appointment was mutually terminated by SCIBP and Awana vide a letter dated 11 January 2022.

On 6 July 2023, SCIBP and Awana have entered into a settlement agreement for Awana to repay the amount of RM18,715,249.52 (which SCIBP had advanced to Awana for the Project) on instalment basis according to the terms therein ("**SA 2023**"). Pursuant thereto, Awana had repaid RM75,000.00 to SCIBP, leaving an outstanding balance of RM18,640,249.52.

Vide a letter of undertaking dated 29 February 2024 issued to SCIBP, Awana had guaranteed amongst others, to terminate the main contractor of the Project at that time.

On 15 April 2024, the parties entered into a conditional SA 2024 for the same Project, for the appointment of SCIBP as main contractor and for the repayment of total RM19,132,682.24 by Awana to SCIBP in accordance with the terms therein. The sum of RM19,132,682.24 comprises the outstanding amount of RM18,640,249.52 mentioned above and additional RM492,432.72 advanced by SCIB Industrialised Building System Sdn Bhd ("**SIBS**"), a wholly-owned subsidiary of SCIB, on behalf of SCIBP.

The SA 2024 is conditional upon, among others, (i) the appointment of SCIBP's director as director of Awana and (ii) the appointment of SCIBP's director as one of Awana's authorised signatories for all bank accounts, to be fulfilled within three months from 15 April 2024 with an automatic extension of further three months or such other period to be mutually agreed by the parties.

On 25 July 2024, SCIBP was again appointed as the main contractor of the Project and SCIB became the corporate guarantor in favour of MBSB for the Loans to Awana in order to facilitate the completion of the Project.

During the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2024, SIBS advanced further amount of RM583,385.43 to Awana for the Project.

On 3 January 2025, SCIBP issued a letter notifying Awana of its failure to satisfy the condition precedent under the SA 2024 i.e. to appoint SCIBP's director as director of Awana within the stipulated period. Accordingly, SCIBP asserted that both the SA 2024 and LOA 25 July 2024 had lapsed.

In view that SA 2024 had lapsed, on 15 January 2025, SCIBP issued a letter of demand to Awana for RM5,350,000.00 (part of the RM18,640,249.52) which are due and owing according to repayment terms under the SA 2023.

On 21 January 2025, SCIBP was alerted by way of automated email that MBSB has released two payments of RM1,500,000.00 and RM150,000.00 under the Loans without SCIBP's authorisation.

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**APPENDIX II – FURTHER INFORMATION (CONT'D)**

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On 5 February 2025, Suit 1 was commenced by SCIBP and SCIB against Awana and MBSB. On 21 March 2025, Awana filed a counterclaim against SCIBP, Ku Chong Hong, Aspect Trading Sdn Bhd and Zubaidah Binti Md Rashid, seeking amongst others, (i) declaration that SCIBP is in breach of SA 2024 and LOA 25 July 2024, (ii) declaration that SCIBP is in breach of its fiduciary duties owed to Awana and (iii) counterclaim damages of RM26,448,600.00.

Separately, SCIBP had on 7 March 2025 filed a writ of summons in Shah Alam High Court under suit no. BA-22NCC-38-03/2025 against Awana for the recovery of RM19,716,067.67 ("**Suit 2**"). RM19,716,067.67 comprises the RM18,640,249.52, RM492,432.72 and RM583,385.43 as detailed above.

On 10 April 2025, the Court:-

- (i) granted an interlocutory injunction restraining Awana from further utilising three out of the four Loans granted to Awana, pending either the removal of SCIB as corporate guarantor or the disposal of the suit, whichever occurs earlier; and
- (ii) directed that Suit 2 be consolidated into Suit 1.

Accordingly, SCIBP and SCIB had on 18 April 2025 filed an amended writ of summon and statement of claim for the consolidation of the debt recovery amounting to RM19,716,067.67 to Suit 1 and further filed a notice of discontinuance for the Suit 2 on 21 April 2025.

A case management has been fixed on 5 December 2025. The trial for the suit has also been fixed from 4 January 2027 to 8 January 2027. The solicitors of SCIB and SCIBP are of the view that SCIB and SCIBP have reasonably good chance of success in their claim and also in resisting the counterclaim brought by Awana.

**(h) SIBS vs Mindagang Resources Sdn Bhd ("MRSB")**

On 12 August 2025, SIBS issued a Notice of Arbitration against MRSB in respect of an outstanding sum of RM1,440,987.34, arising from a project titled "CADANGAN PEMBANGUNAN PERUMAHAN FASA 6 YANG MENGANDUNGI: 35 UNIT RUMAH TERES SETINGKAT LOT 14369-14393, 12 UNIT UMAH TERES 2 TINGKAT LOT 14347-14358, MUKIM TELOK MESIRA, DAERAH MENTUAN, JAJAHAN BACHOK, KELANTAN DARUL NAIM ("**Bachok Project**") pursuant to a letter of award dated 20 June 2023 ("**LOA 20 June 2023**") issued by MRSB to SIBS. The claim represents the final account amount comprising claims for works done, variation orders, materials on site, and loss of profit.

Pursuant to the LOA 20 June 2023, SIBS was appointed by MRSB, the main contractor, as the sub-contractor to carry out the construction works ("**Works**") for a contract sum of RM8,257,000.00, with the scheduled completion date on 29 October 2024. During the course of the Works, MRSB issued three (3) delay notices to SIBS notwithstanding that applications for extension of time had been duly submitted. Subsequently, MRSB, vide its notice of termination, wrongfully terminated SIBS from carrying out the Works under the Bachok Project. In response, SIBS issued a letter addressing, *inter alia*, the notice of termination and requested that SIBS retract the same. SIBS further demanded payment for the Works completed under interim payment certificate no. 7 and the issuance of the extension of time certificate. No response was received from MRSB.

To date, MRSB has not responded to the Notice of Arbitration, the deadline for which lapsed on 13 September 2025. Notwithstanding MRSB's failure to respond, the arbitration proceedings shall be duly constituted, and any issues arising from a late or incomplete response will fall to be determined by the arbitral tribunal. The matter has been registered pursuant to Rule 2 of the AIAC Arbitration Rules 2023 and is presently pending payment of the provisional advance deposit amounting to RM27,753.14, to be borne equally by both parties.



## APPENDIX II – FURTHER INFORMATION (CONT'D)

The solicitors for SIBS are of the view that SIBS has strong prospects of success in its claims against MRSB. However, it is noted that SIBS's claim may be subject to the defence and counterclaim by MRSB, should MRSB elect to file one, given that prior to the termination, MRSB had issued several delay notices to SIBS.

### 6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of the Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:-

	High RM	Low RM
<b>2024</b>		
November	0.270	0.230
December	0.290	0.235
<b>2025</b>		
January	0.245	0.205
February	0.220	0.155
March	0.205	0.160
April	0.180	0.140
May	0.205	0.165
June	0.200	0.110
July	0.130	0.110
August	0.155	0.115
September	0.150	0.130
October	0.280	0.140
Last transacted market price on 25 June 2025, being the last Market Day immediately prior to the first announcement of the Proposals	0.155	
Last transacted market price on the LPD	0.225	

(Source: Bloomberg)

### 7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Lot 1258, Jalan Utama, Pending Industrial Estate 93450 Kuching, Sarawak, Malaysia during normal business hours from Mondays to Fridays (except public holidays) following the date of this Circular up to and including the date of the EGM:-

- (i) Constitution of the Company;
- (ii) audited consolidated financial statements of the Company for the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024 as well as the unaudited consolidated financial statements of the Company for the 12-month FPE 30 June 2025;
- (iii) letter of consent referred to in Section 2 of this Appendix II;
- (iv) Undertaking referred to in Section 2.3 of this Circular;
- (v) draft Deed Poll C;
- (vi) material contracts referred to in Section 4 of this Appendix II; and
- (vii) relevant cause papers in respect of the material litigations referred to in Section 5 of this Appendix II.



**SARAWAK CONSOLIDATED INDUSTRIES BERHAD**

(Registration No. 197501003884 (25583-W))  
(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("**EGM**") of Sarawak Consolidated Industries Berhad ("**SCIB**" or the "**Company**") will be held at Wildrice Room 1 & 2, Level 9, St Giles Boulevard, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, on Thursday, 15 January 2026 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions with or without modifications:-

**ORDINARY RESOLUTION**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 763,624,813 NEW ORDINARY SHARES IN SCIB ("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 ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**

**"THAT** subject to the approvals of all relevant authorities and/or parties being obtained (if required), including but not limited to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the Rights Shares and Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants and the new Shares to be issued pursuant to the exercise of the Warrants C, the Board of Directors of the Company ("**Board**") be and is hereby authorised to undertake the Proposed Rights Issue with Warrants as follows:-

- (i) to provisionally allot and issue by way of a renounceable rights issue of up to 763,624,813 Rights Shares together with up to 763,624,813 Warrants C to the shareholders of the Company ("**Shareholders**") whose names appear in the record of depositors of the Company at the close of business on an entitlement date to be determined by the Board ("**Entitlement Date**") ("**Entitled Shareholders**") and/or their renounee(s), on the 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 by the Board and on such terms and conditions and in such manner as the Board may determine;
- (ii) to enter into and execute the deed poll constituting the Warrants C ("**Deed Poll C**") and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll C (including, without limitation, the affixing of the Company's company seal, where necessary);
- (iii) to allot and issue the Warrants C in registered form to the Entitled Shareholders (and/or their renounee(s), as the case may be) and Excess Applicants (as defined below), if any, who subscribe for and are allotted the Rights Shares, each Warrant C conferring the right to subscribe for 1 new Share at an exercise price to be determined by the Board on the Entitlement Date, subject to the provisions for adjustment to the subscription rights attached to the Warrants C in accordance with the provisions of the Deed Poll C;
- (iv) to allot and issue such number of additional Warrants C pursuant to adjustments as provided for under the Deed Poll C ("**Additional Warrants C**") and to adjust from time to time the exercise price of the Warrants C as a consequence of the adjustments under the provisions of the Deed Poll C and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and any other relevant authorities or parties (where required); and



- (v) to allot and issue such number of new Shares credited as fully paid-up to the holders of Warrants C upon their exercise of the relevant Warrants C to subscribe for new Shares during the tenure of the Warrants C, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants C and such adjustments in accordance with the provisions of the Deed Poll C;

**THAT** the Board be and is hereby authorised and empowered to determine and vary if deemed fit, necessary and/or expedient, the issue price of the Rights Shares and the exercise price of the Warrants C to be issued in connection with the Proposed Rights Issue with Warrants;

**THAT** any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renouncee(s) shall be made available for excess applications in such manner and to such persons ("**Excess Applicants**") as the Board shall determine at its absolute discretion;

**THAT** the Rights Shares, the Warrants C and the new Shares to be issued pursuant to the exercise of the Warrants C and the Additional Warrants C (if any) shall be listed on the Main Market of Bursa Securities;

**THAT** the proceeds of the Proposed Rights Issue with Warrants shall be utilised for the purposes as set out in Section 4 of the circular to Shareholders of the Company dated 26 November 2025 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject to the approval of the relevant authorities (where required);

**THAT** 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;

**THAT** the new Shares to be issued arising from the exercise of the Warrants C (including the Additional Warrants C, if any) shall, upon allotment, issuance and full payment of the exercise price of the Warrants C (or the Additional Warrants C, if any) 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 to be issued arising from the exercise of the Warrants C (including the Additional Warrants C, if any);

**THAT** the Board be and is hereby entitled to deal with all or any of the fractional entitlements of the Rights Shares and the Warrants C arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner and to such persons as the Board may in its absolute discretion deem fit and in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

**THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any conditions, modifications, variations, arrangements and/or amendments to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement and give full effect to the Proposed Rights Issue with Warrants;

**AND THAT** this Ordinary Resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all the Rights Shares, the Warrants C (including the Additional Warrants C, if any) and the new Shares to be issued pursuant to the exercise of the Warrants C have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

## **SPECIAL RESOLUTION**

### **PROPOSED REDUCTION OF THE COMPANY'S ISSUED SHARE CAPITAL PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED SHARE CAPITAL REDUCTION")**

**"THAT** subject to the approvals, waivers and/or consents of all relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Company to reduce the issued share capital of the Company by way of cancellation of the issued share capital of the Company which is substantially unrepresented by available assets of RM110.00 million pursuant to Section 117 of the Act. The corresponding credit of RM110.00 million arising from such cancellation will be utilised towards offsetting the accumulated losses 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, as the Board deems fit and in the best interest of the Company, as permitted by the relevant and applicable laws;

**AND THAT** the Board be and is hereby authorised and empowered to do or procure to be done all acts and things and to execute all necessary documents, to give full effect and to complete the Proposed Share Capital Reduction, with full powers to assent to any conditions or make any modifications, variations and/or amendments as may be required, or imposed by the relevant authorities and as the Board may deem necessary and expedient to finalise, implement and give full effect to complete the Proposed Share Capital Reduction."

By Order of the Board  
**SARAWAK CONSOLIDATED INDUSTRIES BERHAD**

Tan Tong Lang  
(SSM PC No. 202208000250 / MAICSA 7045482)  
Lim Swee Foon  
(SSM PC No. 202408000881 / MAICSA 7064875)  
Company Secretaries

Kuala Lumpur  
26 November 2025

#### **Notes:-**

- (a) *A member of the Company is entitled to attend, participate, speak and vote at the meeting but shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote at the meeting. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*
- (b) *A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (c) *Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
- (d) *Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.*
- (e) *A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.*
- (f) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*

- (g) *The appointment of a proxy may be made in a physical copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof at which the person named in the appointment proposes to vote:*
- (i) *In physical copy form*  
*In the case of an appointment made in physical copy form, the original Form of Proxy must be deposited to Share Registrar of the Company, Aldpro Corporate Services Sdn Bhd.'s office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.*
  - (ii) *By electronic form*  
*The Form of Proxy can be electronically lodged via the Digerati Portal at <https://scib-egm.digerati.com.my> or email to [admin@aldpro.com.my](mailto:admin@aldpro.com.my).*
- (h) *For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as of 7 January 2026 and only a member whose name appears on the Record of Depositors on that date shall be entitled to attend the meeting or appoint proxies to attend and vote in his/her stead.*

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD**

(Registration No. 197501003884 (25583-W))

(Incorporated in Malaysia)

**FORM OF PROXY**

No of shares	
CDS Account No	

I / We, \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

NRIC/Registration No \_\_\_\_\_

of \_\_\_\_\_

# Contact No. \_\_\_\_\_ and # email address \_\_\_\_\_

being a member of **SARAWAK CONSOLIDATED INDUSTRIES BERHAD** ("Company"), hereby appoint:

<b>Full Name (IN BLOCK LETTERS)</b>	<b>NRIC/ Passport No.:</b>	<b>% of shareholdings</b>
<b># Contact No.</b>	<b># Email Address</b>	
<b>Address:</b>		

\*and/or

<b>Full Name (IN BLOCK LETTERS)</b>	<b>NRIC/ Passport No.:</b>	<b>% of shareholdings</b>
<b># Contact No.</b>	<b># Email Address</b>	
<b>Address:</b>		

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the EGM of the Company which to be held at Wildrice Room 1 & 2, Level 9, St Giles Boulevard, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, on Thursday, 15 January 2026 at 10.00 a.m. or at any adjournment thereof, in the manners as indicated below:-

RESOLUTION	AGENDA	FOR	AGAINST
ORDINARY RESOLUTION	PROPOSED RIGHTS ISSUE WITH WARRANTS		
SPECIAL RESOLUTION	PROPOSED SHARE CAPITAL REDUCTION		

Please indicate with an "x" or "✓" in the spaces provided above as to how you wish your votes to be cast. If no specific direction as to voting is given, your proxy will vote or abstain from voting at his/her discretion.

Dated this..... day of....., .....

\_\_\_\_\_  
Signature/Common Seal of Shareholder



Notes:

- (a) *A member of the Company is entitled to attend, participate, speak and vote at the meeting but shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote at the meeting. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*
- (b) *A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (c) *Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
- (d) *Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.*
- (e) *A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.*
- (f) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*
- (g) *The appointment of a proxy may be made in a physical copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof at which the person named in the appointment proposes to vote:*
  - (i) *In physical copy form*  
*In the case of an appointment made in physical copy form, the original Form of Proxy must be deposited to Aldpro Corporate Services Sdn Bhd.'s office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.*
  - (ii) *By electronic form*  
*The Form of Proxy can be electronically lodged via the Digerati Portal at <https://scib-egm.digerati.com.my> or email to [admin@aldpro.com.my](mailto:admin@aldpro.com.my).*
- (h) *For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as of 7 January 2026 and only a member whose name appears on the Record of Depositors on that date shall be entitled to attend the meeting or appoint proxies to attend and vote in his/her stead.*

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AFFIX  
STAMP

The share registrar of  
**SARAWAK CONSOLIDATED INDUSTRIES BERHAD**  
**[Registration No. 197501003884 (25583-W)]**  
c/o **Aldpro Corporate Services Sdn. Bhd.**  
B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur, Wilayah Persekutuan  
Malaysia

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