

STEEL HAWK BERHAD ("STEEL HAWK" OR THE "COMPANY")

REGISTRATION NO.: 202001043293 (1399614-A)

RE: COLLABORATION AGREEMENT ENTERED INTO BY STEEL HAWK ENGINEERING SDN BHD ("SHESB"), A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, WITH IBRAHIM & SONS ENGINEERING SDN BHD

1. INTRODUCTION

The Board of Directors of the Company is pleased to announce that Steel Hawk Engineering Sdn Bhd ("**SHESB**"), a wholly-owned subsidiary of Steel Hawk, had on 5 August 2025 entered into a Collaboration Agreement with Ibrahim & Sons Engineering Sdn Bhd [Registration No. 201901002822 (1312148-P)] (collectively known as "the Parties") for the works stated in the following Letters of Intent issued by Tenaga Nasional Berhad ("the Project"):-

- a) Letter of Intent dated 12 March 2025 (Ref No. TNB RFX 4000049726)

Appointment of IBSE as the Main Contractor for the installation, testing and commissioning of 11kV Aluminium XLPE Underground Cables and Accessories for Asset Development All Zones, Distribution Network Division TNB for a contract price of RM20,699,849.00.

- b) Letter of Intent dated 12 March 2025 (Ref No. TNB RFX 4000049706)

Appointment of IBSE as the Main Contractor for the installation, testing and commissioning of 33kV Aluminium XLPE Underground Cables and Accessories for Asset Development All Zones, Distribution Network Division TNB for a contract price of RM37,876,656.00.

- c) Letter of Intent dated 8 July 2025 (Ref No. TNB RFX 4000049726)

Appointment of IBSE as the Main Contractor for the installation, testing and commissioning of 11kV Aluminium XLPE Underground Cables and Accessories for Asset Development All Zones, Distribution Network Division for a contract price of RM34,086,654.00.

(collectively known as "the Works")

The Works have a total aggregate value of approximately RM92.7 million.

Subsequently, the Company had on 29 August 2025 obtained written consent from IBSE to release the announcement to Bursa Malaysia Securities Berhad pertaining to the execution of the Collaboration Agreement by SHESB.

2. INFORMATION ON IBSE

IBSE is a private limited company incorporated in Malaysia on 23 January 2019 under the Companies Act 2016. IBSE is principally engaged in the provision of engineering services.

As at the date of this announcement, the total issued share capital of IBSE is RM2,000,000 comprising 2,000,000 ordinary shares.

The Directors and shareholders of IBSE as well as their respective shareholdings in IBSE as at the date of this announcement are as follows:-

Name	Designation	No. of shares	%
Zafrin Bin Ibrahim	Director	-	-
Khaeromze Bin Ahmad	Director/ Substantial shareholder	1,000,000	50.0
Zulkflee Bin Ibrahim	Director/ Substantial shareholder	1,000,000	50.0

3. DETAILS OF THE COLLABORATION

Further details on the Collaboration are set out below of this announcement:-

3.1 Information on the Collaboration Agreement

IBSE shall be the Main Contractor for the Works as stated in the above-said Letters of Intent through the Contract Period.

SHESB shall provide a portion of the manpower on-site and the necessary working capital to facilitate the performance of the works by IBSE and/or the sub-Contractor appointed by IBSE and SHESB.

No relationship of agency, joint venture or partnership shall exist or shall be deemed to exist between the Parties and except as specifically provided herein, no party shall have the authority to bind the other party without the other's prior written approval being first had and obtained.

3.2 Salient Terms of the Collaboration Agreement

The salient terms of the Collaboration Agreement are, amongst others, as set out below:-

- (i) Obligations of IBSE
 - a) IBSE as the Main Contractor shall be responsible for the performance, delivery and completion of the Works in accordance with the terms and conditions set out in the Letters of Intent issued by Tenaga Nasional Berhad.
 - b) IBSE shall be responsible for ensuring that the Sub Contractor appointed by IBSE and SHESB to perform and carry out the Works or any part thereof shall have the necessary skills, competency, expertise and manpower to deliver and complete the Works in accordance with the terms and conditions under the Letters of Intent issued by Tenaga Nasional Berhad.
 - c) IBSE shall comply with and adhere to the requirements provided by Tenaga Nasional Berhad pursuant to the Letters of Intent. IBSE shall allow SHESB's representative to be present and to inspect all of IBSE's invoices prior to uploading the same (invoices) into Tenaga Nasional Berhad's invoicing system. IBSE shall further allow SHESB's representatives to view the uploading process until the same shall be completed and to thereafter provide SHESB's representative with a copy of any acknowledgement from Tenaga Nasional Berhad that said invoice has been successfully uploaded and received by Tenaga Nasional Berhad.
 - d) IBSE shall monitor and supervise the performance of the Works by the Subcontractor to ensure compliance with the requirements provided by Tenaga Nasional Berhad pursuant to the Letters of Intent.
 - e) IBSE shall liaise with Tenaga Nasional Berhad and do all acts, things and matters deemed necessary to ensure a smooth and timely submission of its payment claims for the Works.
 - f) IBSE shall promptly notify SHESB of any Variation Orders ("VOs") in respect of the Works.
 - g) IBSE shall provide SHESB with a cash flow projection analysis for each and every aspect of financing that SHESB may be required to satisfy. The Parties agree that the cash flow projection analysis shall be an absolute requirement before any financing is issued by SHESB.
 - h) IBSE shall promptly notify SHESB of the payments received from Tenaga Nasional Berhad for the Works.
 - i) IBSE shall also notify and keep SHESB informed of any legal claims by 3rd parties in respect of the Works.

- j) IBSE shall return and/or satisfy each Bank Guarantee procured by SHESB under Obligations of SHESB upon completion of the Works under each Letter of Intent.
- k) In the event any Bank Guarantee procured by SHESB under Obligations of SHESB is liquidated and/or called upon and/or utilized by any party howsoever arising, IBSE shall ensure that the amount to satisfy the Bank Guarantee is repaid in full to SHESB.

(ii) Obligations of SHESB

- a) SHESB shall provide 60% working capital for each Purchase Order issued by IBSE and/or any other entity nominated by IBSE, pursuant to the Works. IBSE and SHESB expressly agree that this Working Capital shall be subject to repayment in accordance with Clause (j) below.
- b) SHESB shall also procure the requisite Bank Guarantees in such form and substance in favour of Tenaga Nasional Berhad in respect of the Letters of Intent for the Works, subject always to Clause 3.2(i)(i) and 3.2(i)(j) above being satisfied by IBSE.
- c) SHESB shall also be responsible for payments of the CIDB levies for the Letters of Intent for the Works.
- d) SHESB shall do all acts, things and matters deemed necessary to ensure that it complies with its financing obligations stipulated in the List of Awarded Projects. For the avoidance of doubt, the List of Awarded Projects shall be subject to the payment schedules outlined in the Collaboration Agreement.
- e) SHESB shall perform its obligation under Clause 3.2(ii)(a) in accordance with the Cash Flow Analysis provided by IBSE to SHESB, in accordance with Clause 3.2(i)(g) above. In the event IBSE should fail to make any payments to any subcontractor of SHESB, IBSE and SHESB agree that SHESB may effect payments directly to said sub-contractor, to ensure that the Works progress efficaciously. Any sums advanced by SHESB shall be deductible from the profits payable to IBSE.
- f) SHESB shall ensure performance of its obligations under Clauses 3.2(ii)(b) and (c) in a timely and efficient manner and in compliance with the Tenaga Nasional Berhad requirements, subject always to IBSE satisfying its requirements in-turn.
- g) SHESB shall also provide IBSE with an Advance Working Capital of RM9,266,315.90 which shall be repaid first to SHESB from all monies received from Tenaga Nasional Berhad, upon Tenaga Nasional Berhad satisfying the invoice issued to it for the Works. IBSE and SHESB shall thereafter distribute and share the profits in the manner outlined in Clause 7 of the Collaboration Agreement.
- h) The Advance Working Capital shall be released to IBSE for the 1st and 2nd Letter of Intent in 3 instalments as follows:-
 - 1st instalment of RM1,500,000.00 to be paid forthwith upon execution of the Collaboration Agreement;
 - 2nd instalment of RM1,400,000.00 to be paid forthwith upon the Escrow Account and/or the Designated Trust Account being opened and operational, in accordance with Clause 8 of the Collaboration Agreement;
 - Final instalment of RM2,966,315.90 shall be paid forthwith within 30 days from the receipt of the 1st Purchase Order from Tenaga Nasional Berhad.
- i) The Advance Working Capital shall be released to IBSE for the 3rd Letter of Intent in 2 instalments as follows:-
 - 1st instalment of RM1,700,000.00 upon receipt of the 1st Purchase Order from Tenaga Nasional Berhad;
 - 2nd instalment of RM1,700,000.00 upon receipt of the 2nd Purchase Order from Tenaga Nasional Berhad.

- j) The Parties agree that all Working Capital and Advance Working Capital howsoever arising that has been paid and/or advanced by SHESB must firstly be repaid to SHESB from all monies received from Tenaga Nasional Berhad, upon Tenaga Nasional Berhad satisfying the invoice issued to it for the Works. IBSE and SHESB shall thereafter distribute and share the profits in the manner outlined in Clause 7 of the Collaboration Agreement.
 - k) The Parties expressly agree that Advance Working Capital outlined in Clauses 3.2(ii)(h) and (i) shall be made consecutively and shall not be made concurrently. IBSE and SHESB further expressly agree that this Clause shall take precedence and shall be applicable notwithstanding the timing of receipt of any Purchase Order by IBSE from Tenaga Nasional Berhad.
 - l) SHESB shall make all payments for the Purchase Orders under Clause 3.2(ii)(a) in conformity with the cash flow projection analysis required under Clause 3.2(i)(g).
- (iii) Profit Sharing Arrangement
- a) In consideration of any subject to IBSE fulfilling its obligations under the Collaboration Agreement, IBSE's Profit Sharing Arrangement shall be an amount that is equal to 20% of the total Contract Price for the Works, subject to all deductions that are detailed in the Collaboration Agreement.
 - b) For avoidance of doubt, the Advance Working Capital provided by SHESB under Clauses 3.2(ii)(h) and (i) shall be deducted from IBSE's Profit Sharing amount entitlement under the Collaboration Agreement and/or from all monies received from Tenaga Nasional Berhad.
 - c) The Parties further agree that the following sums shall be borne from IBSE's portion and/or from all monies received from Tenaga Nasional Berhad:-
 - Bank Guarantee (in the event of any liquidation, encashment and/or call on the Bank Guarantee, howsoever arising);
 - All insurance policies and premiums payable for the Works;
 - Any Liquidated Damages that may be charged by Tenaga Nasional Berhad and/or any other party.
 - d) In consideration of and subject to SHESB fulfilling its obligations under the Collaboration Agreement, SHESB's Profit Sharing Arrangement shall be an amount equal to 20% of the total Contract Price of the Works.
 - e) The Parties further agree that SHESB shall bear the CIDB Levies out of its 20% profits.

4. FINANCIAL EFFECTS

The Project will not have any effect on the share capital and shareholding structure of the Company. The Project is expected to contribute positively to the earnings of Steel Hawk and its subsidiaries ("**Steel Hawk Group**") for the financial year ending ("**FYE**") 31 December 2025.

5. RISK FACTORS

The execution of Collaboration Agreement is not expected to expose the Company to any risk factors which could materially and/or adversely affect the business operations and financial performance of Steel Hawk Group.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders and/or persons connected with the Directors and/or major shareholders of Steel Hawk has any direct or indirect interest in the Collaboration Agreement.

7. APPROVALS REQUIRED

The execution of the Collaboration Agreement is not subject to the approval of the shareholders of the Company or any regulatory authorities.

8. STATEMENT BY DIRECTORS

The Board of Directors of the Company is of the opinion that the execution of the Collaboration Agreement is in the ordinary course of business and is in the best interest of the Company.

9. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Collaboration Agreement will be available for inspection by the shareholders at the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, WP Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months commencing from the date of this announcement.

This announcement is dated 29 August 2025.