

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

REGISTRATION NO.: 202001043293 (1399614-A)

RE: VARIATION OF UTILISATION OF PROCEEDS RAISED FROM THE PLACEMENT IN CONJUNCTION WITH THE LISTING OF STEEL HAWK ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("VARIATION")**1. INTRODUCTION**

The Board of Directors of Steel Hawk ("**Board**") wishes to announce that it has resolved to vary the utilisation of proceeds ("**IPO Proceeds**") raised from the Placement in conjunction with the listing of the Company on the LEAP Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Variation**"). The Company was listed on the LEAP Market of Bursa Securities on 29 October 2021.

2. DETAILS OF THE VARIATION

As at the date of this announcement, the Company and its subsidiaries ("**Group**") have utilised approximately RM2.47 million from the IPO Proceeds and a balance amount of RM0.73 million has yet to be utilised ("**Balance Proceeds**"). The Board wishes to announce that it has resolved a variation for the Balance Proceeds of approximately RM0.73 million as set out below:-

Purposes	Original proposed utilisation	Actual utilisation of the IPO Proceeds	Balance Proceeds	Variation to the Balance Proceeds	Revised proposed utilisation of the Balance Proceeds		Original timeframe for the utilisation of proceeds	Revised timeframe for the utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000	RM'000	%		
Setting up 2 fire rated door assembly lines	413	413	-	-	-	-	Within 6 months	No change
Construction of a mud cooler system	730	-	730	(730)*1	-	-	Within 12 months	No change
Working capital	757	757	-	730	730	100.00	Within 18 months	No change
Estimated listing expenses	1,300	1,300	-	-	-	-	Within 3 months	No change
Total	3,200	2,470	730	-	730	100.00		

Note:-

¹ As highlighted in the announcement dated 20 June 2022, Steel Hawk had announced that Steel Hawk Engineering Sdn Bhd, a wholly-owned subsidiary of Steel Hawk, had on 20 June 2022, accepted the letter of award ("**LOA**") dated 17 June 2022 awarded by Sigma Water Engineering (M) Sdn Bhd ("**SIGMA**") in relation to the provision of the Design, Supply, Manufacture and Delivery of Chemical Injection Skid for Effluent Management at Source ("**EMAS**") Project at Malaysian Refining Company Sdn Bhd ("**MRC SB**") in Sungai Udang, Melaka.

Accordingly, the excess amount of approximately RM0.73 million earmarked for the construction of a mud cooler system has been re-allocated for the working capital in relation to the EMAS Project.

3. RATIONALE

After careful deliberation of the operational needs of the Group, taking into consideration of the LOA awarded to the Group, the Board has decided to re-allocate the utilisation of the IPO Proceeds to cater the immediate working capital requirements of the Group.

The Board is of the opinion that the Variation is in the best interest of the Group and shall not have any adverse effect on the future plans and business operations of the Group.

4. APPROVALS REQUIRED

The Variation is not subject to any approvals from the regulatory authorities or shareholders of the Company on the basis that the Variation is not material and remains consistent with the Group's existing business, and future plans and prospects as disclosed in the IPO Information Memorandum.

This announcement is dated 5 October 2022.