



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Registration No.: 197501003884 (25583-W))

(Incorporated in Malaysia)

1. INTRODUCTION

In compliance with Paragraph 9.19(46) of Chapter 9 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), The Board of Directors of Sarawak Consolidated Industries Berhad (“**SCIB**” or “**the Company**”) is pleased to announce that a revaluation on the Land and Buildings (“Properties”) of the Group has been carried out by the independent firms of professional valuers, Rahim & Co International Sdn. Bhd. and VPC Alliance (Sarawak) Sdn. Bhd. (hereinafter referred to as “**the Valuers**”) in September 2023 using the market value as the basis of valuation.

The independent professional valuers have adopted the Comparison Approach in this valuation exercise to reflect its fair value (hereinafter referred to as “**Revaluation**”), and the resulting revaluation surplus of RM69.0 million and deferred tax of RM16.7 million has been incorporated into the unaudited interim financial report on consolidated results of SCIB for the first quarter ended 30 September 2023 (hereinafter referred to as “**the Interim Financial Report**”) and shall appropriately reflect in the financial statement of SCIB Group for the financial year ending 30 June 2024. The comparison method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as locations and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market conditions and other relevant characteristics.

The Interim Financial Report was reviewed by the Company’s External Auditors, Messrs. Kreston John & Gan (hereinafter referred to as “**the External Auditors**”) in accordance with Paragraph 10.03(4)(c) of Main Market Listing Requirements of Bursa Securities and subsequently, endorsed by the Board of Directors of the Company today.

Based on the Interim Financial Report reviewed by the External Auditors, the net revaluation surplus after deferred tax amounting to RM52.3 million would result in the Group's consolidated net assets per share to increase by approximately RM0.08. The Company has recorded net assets per share of RM0.21 based on the financial results of the Group for the first quarter, which ended 30 September 2023.

Pursuant to Paragraph 9.19 (35) of the MMLR, there is no deviation of 10% or more between the profit after tax and non-controlling interest and the net assets of the Group stated in the announced unaudited interim financial results and the Interim Financial Report reviewed by the External Auditors for the financial period ended 30 September 2023.

2. PURPOSE OF THE REVALUATION

The purpose of the Revaluation was mainly to ascertain the current market value of the Properties for accounting purposes, which is in line with the Group's revaluation policy on Properties. The Company adopted the Revaluation policy under MFRS 116 for Property, Plant and Equipment on 1 July 2023. Pursuant to the change of the accounting policy for land and buildings, the Group's land and buildings are subsequently measured at a revalued amount less accumulated depreciation and any accumulated impairment losses.

3. DETAILS OF THE REVALUATION

The details of the Revaluation are set out below:

Location of the Property	Description of the Property	Net Book Value as of 30 September 2023 (RM'000)	Market value as at 30 September 2023 by the Valuers (RM'000)	Revaluation surplus (RM'000)	Revaluation deficit (RM'000)	Revalued Carrying Amount as of 30 September 2023 <i>(Based on the Interim Financial Report reviewed by the External Auditors)</i> (RM'000)
Lot 1166, Block 8, Muara Tebas Land District	Leasehold land, factory building and office	6,063	35,000	28,937	-	34,905

	premises					
Lot 1541, Block 8, Muara Tebas Land District	Leasehold land, factory building and inventory storage	1,917	6,600	4,683	-	6,590
Lot 16024, Bandar Nilai Utama, District of Seremban	Freehold land and office premises	7,117	8,000	883	-	8,000
Lot 2351, Section 66, Kuching Town Land District	Leasehold land, factory building and office premises	8,315	34,000	25,685	-	33,941
Lot 830, Block 7, Muara Tebas Land District	Leasehold land, factory building and office premises	8,203	17,000	8,797	-	16,972
Total		31,615	100,600	68,985	-	100,408

4. FINANCIAL EFFECTS ON THE NET ASSETS PER SHARE

The revalued amount has been incorporated in the Interim Financial Report for the period ended 30 September 2023 reviewed by the External Auditors and the effect on the net assets per share of the Company arising from the Revaluation exercise is as follows: -

	Before the Revaluation	Effect of revaluation, net of deferred tax	After the Revaluation <i>(Based on the</i>

	RM'000	RM'000	<i>Interim Financial Report reviewed by External Auditors)</i> RM'000
Equity attributable to owners of the Company (RM'000)	83,505	52,322	135,827
Number of ordinary shares in issue ('000)	640,241	640,241	640,241
Net assets per share (RM)	0.13	0.08	0.21

The revaluation surplus resulted in an increase in the net assets per share of the Group by RM0.08.

5. DOCUMENT AVAILABLE FOR INSPECTION

The relevant valuation reports on the Revaluation are available for inspection at the registered office of the Company, Lot 1258, Jalan Utama, Pending Industrial Estate, 93450, Kuching, Sarawak, Malaysia from Mondays to Fridays (except public holidays) during normal office hours for a period of 3 months from the date of this announcement.

This announcement is dated 26 January 2024.