



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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

(Incorporated in Malaysia)

1. INTRODUCTION

Reference is made to the Company's announcement dated 18 May 2021 and 8 April 2024 in relation to Engineering, Procurement, Construction and Commissioning ("EPCC") contract awarded to its wholly-owned subsidiary, SCIB Industrialised Building System Sdn. Bhd. [Registration No.: 200101019137 (554894-A)] ("**SIBS**") by AUEI Teras Holdings Sdn. Bhd. [Registration No.: 200501001895 (678941-A)] ("**AUEI**") for Cadangan Membina dan Menyiapkan 632 Unit Perumahan Rakyat 1 Malaysia Fasa 1, at Kubang Kerian, Kota Bahru, Kelantan ("**Project**") ("**the Contract**").

The Board of Directors of Sarawak Consolidated Industries Berhad ("**SCIB**" or "**the Company**") wishes to announce that its wholly-owned subsidiary, **SIBS** had on 31 October 2025 accepted a revised Letter of Award ("**RLOA NO. 2**") from Perbadanan PR1MA Malaysia ("**PR1MA**") in relation to the Project ("**the Contract**").

2. BACKGROUND

The original Letter of Award ("Original LOA") dated **12 May 2021** was accepted by a wholly-owned subsidiary of the Company, SCIB Properties Sdn. Bhd. (Registration No.: 200101019135 (554892-V)) ("**SCIBP**") from AUEI for the Cadangan Membina dan Menyiapkan 632 Unit Perumahan Rakyat 1 Malaysia, Fasa 1, at Kubang Kerian, Kota Bahru, Kelantan ("**Project**") ("**the Contract**") at a contract sum of **RM120,000,000.00 (Ringgit Malaysia: One Hundred Twenty Million Only)**.

On 5 April 2024, SCIBP signed the Novation Agreement with AUEI, appointing SIBS as a Main Contractor for the Project.

Subsequently, on 7 April 2024, a Power Of Attorney was entered into between AUEI and PR1MA.

On 8 April 2024, SIBS accepted a Revised Letter of Award and Acceptance ("RLOA") for securing Sub-Contract Works from AUEI, subject to the terms and conditions as stipulated in the RLOA at a contract sum of **RM162,426,414.50 (Ringgit Malaysia: One Hundred Sixty-Two Million Four Hundred Twenty-Six Thousand Four Hundred Fourteen and Fifty Cent Only)**. ("**the First Revised Contract Sum**").

3. DETAILS OF THE RLOA NO. 2

3.1 Revision of the Contract Sum

Following a review of the project scope and associated costs, SIBS identified that the price and cost of works stated in the RLOA dated 8 April 2024 were insufficient due to double handling works and unforeseen circumstances. Consequently, SIBS submitted an application to PR1MA for additional costs under Preliminaries.

Upon reviewing by PR1MA the application including re-examining the rates and scope of building works, external works and M&E, and PR1MA has agreed to consider a net additional cost of RM9,951,054.66 (Ringgit Malaysia: Nine Million Nine Hundred and Fifty-One Thousand Fifty-Four and Sixty-Six Cent Only) to be added to the First Revised Contract Sum stated in the RLOA dated 8 April 2024.

The First Revised Contract Sum has been re-evaluated from **RM162,426,414.50 (Ringgit Malaysia: One Hundred Sixty-Two Million Four Hundred Twenty-Six Thousand Four Hundred Fourteen and Fifty Sen Only)** to **RM172,377,469.16 (Ringgit Malaysia: One Hundred Seventy-Two Million Three Hundred Seventy-Seven Thousand Four Hundred Sixty-Nine and Sixteen Sen Only)**.

3.2 Revision of the Security terms

SIBS shall deposit with PR1MA an irrevocable, unconditional and on-demand Performance Bond issued by an approved licensed bank or financial institution incorporated in Malaysia in favour of PR1MA for the sum of RM8,618,873.46 (Ringgit Malaysia Eight Million Six Hundred and Eighteen Thousand Eight Hundred Seventy-Three and Forty-Six Cent only) or amount equivalent to five per cent (5%) of the Contract Sum within 30 days from the acceptance of the RLOA NO. 2.

4. RISK FACTORS

The Contract is subject to normal business risks such as construction risk, increase in cost due to escalation of material price, non or less availability of skilled workforce, non or less availability of materials, and ineffective or non-effective of subcontractors' performance.

However, SCIB will put in place control measures and operational procedures to mitigate the potential associated risks.

5. FINANCIAL EFFECTS

The revision of the contract sum is not expected to have any material effect on the net assets, gearing, and earnings of the Group for the financial year ending 31 December 2025, but is expected to contribute positively to the Group's revenue and future earnings over the duration of the Project.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and / or major shareholders of the Company and / or person connected has any interest, direct and / or indirect, in the Contract.

7. STATEMENT BY DIRECTORS

The Board of Directors of the Company is in the opinion that the Contract is in the ordinary course of business and is in the best interest of the SCIB Group.

8. APPROVALS REQUIRED

The Contract is not subject to the approval of the shareholders and / or any regulatory authorities.

This announcement is dated 31 October 2025.