

Press Release

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SCIB Advances Growth Plans with Strategic 21.88-Acre Acquisition in Demak Laut Industrial Park with RM21.6 million

Acquisition to Boost Production Capacity by 30%, Aligning with Sarawak's Rapid Infrastructure Development

KUCHING, SARAWAK, 26 JANUARY 2024 – Industrialised building systems specialist, **Sarawak Consolidated Industries Berhad** ("SCIB" or the "Company"), is pleased to announce the acquisition of five industrial leasehold plots in the Demak Laut Industrial Park, Kuching, Sarawak, a move set to significantly enhance the Company's production capabilities in line with Sarawak's booming infrastructure development.

The acquisition, involving a total of 5 lots of land, totalling 8.8544 hectares (approximately 21.88 acres) in the Muara Tebas Land District, represents a strategic expansion of SCIB's operational footprint. The total purchase consideration for the land is RM21.6 million and shall be fully paid in cash, from combination of internally generated funds and bank borrowing. This investment marks a pivotal step in the Company's growth strategy, positioning SCIB to meet the burgeoning market demand.



Mr. Ku Chong Hong, Group Managing Director of SCIB commented on the acquisition, "This land acquisition is a testament to our commitment to expanding SCIB's capabilities and market reach. The new location at Demak Laut Industrial Park, just fifteen kilometres from Kuching City Centre, is not only strategically advantageous but also provides us with the necessary space to increase our production capacity by almost 30%. This expansion aligns perfectly with the anticipated increase in demand driven by Sarawak's rapid infrastructure development plans in the coming years."

He added, "While we are aware of the ongoing market fluctuations, SCIB remains steadfast in our commitment to delivering value to our shareholders. This investment is a clear indication of our dedication to long-term growth and profitability, ensuring SCIB continues to play a significant role in Sarawak's industrial landscape."

The intended use of the newly acquired land is for constructing an industrial factory to produce concrete-related products such as Spun Piles, Spun Pipes, and Reinforced Concrete Products. The move to Demak Laut Industrial Park from the current factory at Pending Industrial Estate is a strategic decision by SCIB to leverage the larger land size for enhanced production capacity. SCIB envisages the new factory to commence construction by the 2nd Quarter of 2024, and to be completed by 1st Quarter of 2025, and the factory should be contributing positively to the Company's earnings from 2nd Quarter of 2025.

SCIB is confident that this land acquisition and the subsequent increase in production capacity will significantly contribute to the Company's growth and ability to meet future market demands, thereby enhancing shareholder value in the long run.

SCIB appreciates the continued support from the Company's investors and stakeholders and is committed to providing regular updates on the latest progress and developments.

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ABOUT SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Sarawak Consolidated Industries Berhad ("SCIB") was founded in 1975 and has evolved from a small enterprise into a reputable Group of companies listed on the Main Market of Bursa Malaysia Securities Berhad. Currently, SCIB is operating three factories in Kuching, Sarawak, one factory in the Pending Industrial Estate and two factories in the Demak Laut industrial park.

SCIB is well known for professional management and has long history of innovative ideas and technological advances. Coupled with its wealth of experience and research acquired in more than three decades, SCIB offers its clients in-depth expertise through a combination of technology, efficiency and speed.

For more information, visit scib.com.my.

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