ENTERING INTO JOINT VENTURE BETWEEN SIB VENTURES SDN BHD, FUNA MICRO TECHNOLOGY PTE. LTD. AND SIB ZZT SDN BHD

1 INTRODUCTION

The Board of Directors of Sapura Industrial Berhad ("SIB" or “Company”) wishes to announce that its wholly owned subsidiary, SIB Ventures Sdn Bhd (Company Registration No: 202401044576 (1590422-M)) (“SIBV”) had on 14 October 2025 executed a Joint Venture Agreement (the “Agreement”) with Funa Micro Technology Pte. Ltd. (Company Registration No: 202533397E) (“FMT”) and SIB ZZT Sdn Bhd (Company Registration No: 202501048370 (1649778-X))(“SIB ZZT”) for the purposes of the Joint Venture (as defined below).

2 BACKGROUND INFORMATION ON THE JOINT VENTURE

2.1 SIBV, and Zhejiang Zhongze Precision Technology Co. Ltd (“ZZT”), a precision component manufacturer based in China, have agreed to establish a joint venture for the purpose of setting up a lithium battery precision structural components manufacturing facility in Malaysia (“Joint Venture”). The Joint Venture will be implemented through a new company to be incorporated under the laws of Malaysia.

2.2 Pursuant thereto, SIBV and ZZT had on 6 March 2025 entered into a Memorandum of Understanding and subsequently on 20 May 2025 entered into a binding Heads of Terms.

2.3 On 12 June 2025, SIB announced that ZZT has nominated LIGHTRISE TECHNOLOGY PTE. LTD. (Company Registration No: 202523090G) (“Lightrise”), a company incorporated in Singapore and wholly owned subsidiary of ZZT, to be the joint venture partner with SIBV pursuant to the Heads of Terms. Pursuant thereto, SIBV and Lightrise had on even date, incorporated SIB ZZ Sdn Bhd [Company No. 202501026362 (1627774-P)] (“SIB ZZ”), a private company limited by shares under the Companies Act 2016 to be the joint venture vehicle.

2.4 Subsequently, as a result of ZZT’s internal restructuring exercise, ZZT had notified SIB that ZZT no longer intends to use Lightrise as its vehicle to enter into this Joint Venture and that a new Joint Venture company shall be incorporated.

2.5 Further to the above notification, it is the intention of SIB and ZZT to strike off SIB ZZ from the register of the Companies Commission of Malaysia in accordance with the terms and conditions of the Agreement.

2.6 ZZT has now nominated FMT, to be the Joint Venture partner with SIBV in the new joint venture company, SIB ZZT.

3. INFORMATION OF THE PARTIES

3.1 Information on SIBV

SIBV was incorporated in Malaysia on 23 October 2024 with its registered and business office at Lot 2 & 4, Jalan P/11, Seksyen 10, Kawasan Perindustrian Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan. The principal activity of SIBV is investment holding company for mobility, new energy vehicles, all types of electrified vehicles, parts and components, products, services and technologies. As at the date of this announcement, the paid-up share capital of SIBV is RM100, represented by 100 ordinary shares, wholly-owned by SIB.

3.2 Information on FMT

FMT is a private company limited by shares, incorporated in Singapore on 1 August 2025, with its registered address at 36 Robinson Road, #21-01, City House, Singapore 068877. Its principal activity is the wholesale trade of a variety of goods without a dominant product. As at the date of this announcement, the paid-up share capital of FMT is SGD10,000, represented by 10,000 ordinary shares, all of which are wholly-owned by Hainan Stawei Technology Co., Ltd. ("HST"). HST is, in turn, a wholly-owned subsidiary of ZZT.

3.3 Information on SIB ZZT

SIB ZZT was incorporated in Malaysia on 14 October 2025 with its registered office at Lot 2 & 4, Jalan P/11, Seksyen 10, Kawasan Perindustrian Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan. As at the date of this announcement, the paid-up capital of SIB ZZT is RM100 represented by 100 ordinary shares of which 51 ordinary shares are held by SIBV (representing 51% equity interest in SIB ZZT) and 49 ordinary shares are held by FMT (representing 49% equity interest in SIB ZZT)

4 SALIENT TERMS OF THE AGREEMENT

4.1 SIBV and FMT have agreed to enter into the Agreement to set out their understanding and agreement in relation to the operation of SIB ZZT as a joint venture between the Parties and with respect to their shareholding and investment in SIB ZZT, upon the terms and subject to the conditions of the Agreement.

4.2 The business to be carried on by SIB ZZT is manufacturing of prismatic cell can and assembly of cell lid for energy storage systems, and all other parts relating to battery energy storage cells.

4.3 Within fourteen (14) days from the date the bank account of SIB ZZT is opened or such longer period as may be mutually agreed by SIBV, FMT and SIB ZZT, SIB ZZT shall issue Seventeen Million Nine Hundred Ninety Nine Thousand Nine Hundred (17,999,900) Shares of RM1.00 each to SIBV and FMT in accordance with the agreed proportion.

4.4 Unless SIBV and FMT agree otherwise in writing or where any change in the shareholding ratio is permitted under the Agreement, the Shareholders' respective shareholdings in SIB ZZT shall at all times during the duration of this Agreement be in the following agreed proportions:

PARTY	PERCENTAGE OF SHAREHOLDING (%)
SIBV	51
FMT	49
TOTAL	**100**

4.5 The Board of directors of SIB ZZT shall comprise five (5) directors of which three (3) appointed by SIBV and two (2) by FMT.

5 FINANCIAL EFFECTS

5.1 <u>Earnings and Earnings Per Share</u>

The Joint Venture has no material impact to the earnings and earnings per share of SIB for the financial year ending 31 January 2026.

5.2 Net Assets Per Share and Gearing

The Joint Venture is not expected to have any material impact on the net assets per share and gearing of SIB for the financial year ending 31 January 2026.

5.3 Share Capital and Substantial Shareholders' Shareholding

The Joint Venture will not have any material effect on the issued and paid-up share capital and substantial shareholders' shareholding of SIB.

6 SOURCE OF FUNDING

SIBV will finance the investment in SIB ZZT via its internally generated funds and/or bank borrowings.

7 APPROVALS REQUIRED

The Joint Venture does not require the approval of SIB's shareholders and/or any relevant authorities.

8 COMMENCEMENT OF THE AGREEMENT

The Agreement shall take effect from the date of the Agreement and shall continue in force unless earlier terminated in accordance with the terms of the Agreement.

9 RATIONALE

The Joint Venture represents a strategic step in SIB and its subsidiaries' ("SIB Group") diversification into the energy storage and battery ecosystem. It enhances access to new market opportunities and reinforces SIB's position as a trusted growth partner in Malaysia and the region.

10 PROSPECTS

The Board of Directors believes that the Joint Venture is expected to contribute towards the growth potential and business of SIB Group.

11 RISKS

Save for normal business risks, there are no other material risks which are peculiar as a result of the Joint Venture.

12 INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO DIRECTORS OR MAJOR SHAREHOLDERS

None of the directors and/or major shareholders of SIB and/or persons connected with the directors or major shareholders of SIB have any interest, direct or indirect in the Joint Venture.

13 STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of SIB is of the opinion that the Joint Venture are in the best interest of SIB and SIBV.

14 DOCUMENTS FOR INSPECTION

The Agreement is available for inspection at the registered office of SIB at Lot 2 & 4, Jalan P/11, Seksyen 10, Kawasan Perindustrian Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan during normal working hours, 9.00 a.m. to 5.30 p.m., from Monday to Friday (except public holiday) for a period of three (3) months from the date of this announcement.

This announcement is dated 14 October 2025