



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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

(Incorporated in Malaysia)

1. INTRODUCTION

The Board of Directors of Sarawak Consolidated Industries Berhad (“**SCIB**” or “**Company**”) wishes to announce that SCIB Industrialised Building System Sdn Bhd. (Registration No.: 200101019137 (554894-A) (“**SIBS**”), a subsidiary of SCIB, had on 3 October 2022 entered into a Memorandum of Understanding (“**MOU**”) with Akademi Binaan Malaysia (Sarawak) Sdn Bhd (Registration No.: 200001016094 (518701-K) (“**ABM**”) (collectively referred to as “**Parties**”) in relation to the building and equipping of an industrialized building system (“**IBS**”) sample house (“**IBS Sample House**”) using SCIB 3D-printing Technology at CIDB Sarawak Complex and also to developing training programmes and/or modules on IBS for the benefit of ABM’s programme participants arising from the IBS Sample House.

2. DETAILS OF THE MOU

2.1 Background Information of the Parties

SIBS is a company incorporated under the laws of Malaysia and having its registered address at Lot 1258, Jalan Utama, Pending Industrial Estate, P.O Box 1354, 93728 Kuching Sarawak. SIBS is a wholly-owned subsidiary of SCIB and its principal business is the supply and installation of industrialized building system components. SIBS owns the machinery and the right/licence to use 3D-printing solutions and technology to produce IBS components.

ABM is a company incorporated under the laws of Malaysia and having its place of business at 1st Floor, Block C, CIDB Complex, Jalan Sultan Tengah, Petra Jaya, 93050 Kuching Sarawak. ABM is an assessment and training centre of the Construction Industry Development Board (“**CIDB**”) in Sarawak which caters to the needs for development and skills enhancement of construction personnel. ABM focuses on equipping construction personnel with appropriate competencies according to industry standards.

2.2 Purposes of the MOU

The intended objective of the MOU is to formalise the relationship between SIBS and ABM in relation to the building and fully equipping of the IBS Sample House using 3D-Printing Technology and to developing and organising the skills training and assessment for construction personnel specifically on IBS and other related trade training on the basis of mutual benefit arising from the IBS Sample House.

2.3 Salient Terms of the MOU

The MOU shall be legally binding between the Parties and come into force on the execution date and shall remain in force for a period of five (5) years and may be extended for a further period of two (2) years by mutual consent of the Parties.

The financial arrangement to cover expenses for the cooperative activities undertaken within the framework of the MOU shall be mutually agreed upon by the Parties on a case-by-case basis subject to the availability of funds of each Party.

Either Party may invite the participation of a third party in the joint programs being carried out under the MOU upon obtaining the prior written consent of the other Party.

Protection of intellectual property rights shall be enforced in conformity with the laws and regulations of Malaysia. The intellectual property rights in respect of any technological development, products and services development, carried out –

- (a) jointly by the Parties or research results obtained through the joint efforts of the Parties, shall be jointly owned by the Parties in accordance with the terms to be mutually agreed upon; and
- (b) solely and separately by a Party or the research results obtained through the sole and separate effort of a Party, shall be solely owned by that Party concerned.

Either Party may request in writing a revision, amendment, waiver or modification of all or any part of the MOU subject to the other Party's approval.

Either Party may terminate the MOU by notifying the other Party of its intention to terminate this MOU by a notice in writing, at least three (3) months prior to the effective date of termination.

3. Roles and Scope of Work of the Parties

The Parties agree to implement the MOU by jointly carrying out activities including:-

- (a) to collaborate in exploring and identifying the potential related training and assessment for training programmes, courses and/or modules in IBS; and
- (b) to share information, technical knowledge and professional experiences on establishing training courses and/or modules in IBS which could add value and improve the standards, skills and understanding of construction workers, especially in Sarawak.

SIBS shall undertake, or has undertaken, the following activities:

- (a) to build and fully equip the IBS Sample House at the CIDB Sarawak Complex in Kuching using SIBS 3D-printing Technology and, among others, transport the 3D printing machinery and construction materials to the site (“**Site**”) at its own cost and expense;
- (b) to facilitate the exchange of experience and transfer of information for the purpose of developing SIBS 3D-Printing Technology training programmes, courses and/or modules during the construction of the IBS Sample House;
- (c) to appoint its own architect and consultant at its own cost and expense and submit the IBS Sample House plans to Dewan Bandaraya Kuching Utara for its approval and obtain all other necessary permits; and
- (d) to arrange for utilities connection to the IBS Sample House at its own cost and expense.

ABM shall undertake, or has undertaken, the following activities:

- (a) to provide the Site to SIBS at no cost for the construction of the IBS Sample House;
- (b) to maintain IBS Sample House at its own cost and expense upon completion and after the handover and taking possession of the duly completed IBS Sample House from SIBS; and
- (c) to pay all utility charges and related arrears of the IBS Sample House from the date of handover and taking possession onwards.

4. FINANCIAL EFFECTS OF MOU

The MOU will not have any effect on the issued share capital and the shareholdings of substantial shareholders of the Company. It is not expected to have any material effect on the earnings, net assets and gearing of SCIB and its group of companies for the financial year ending 30 June 2023.

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

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

6. STATEMENT BY DIRECTORS

The Board of Directors of the Company, having reviewed and considered the terms of the MOU and the rationale, is of the opinion that the MOU is in the best interest of the SCIB and its group of companies.

7. APPROVALS REQUIRED

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

8. DOCUMENT AVAILABLE FOR INSPECTION

The MOU is available for inspection at the registered office of the Company at Lot 1258, Jalan Utama, Pending Industrial Estate, 93450 Kuching, Sarawak during normal office hours from Monday to Friday (except for public holidays) for a period of one (1) month from the date of this announcement.

This announcement is dated 4 October 2022.

(A copy of the Press Release is attached)