

**Company Name: Sarawak Consolidated Industries Berhad****Subject: Material Litigation****Description**

Writ of Summons No. KCH-22NCvC-41/7-2016(HC 2) filed by SCIB Industrialised Building System Sdn. Bhd. ("the Plaintiff") against Millennium Crest Sdn. Bhd. ("the Defendant").

**Date of filing of the Writ and Statement of Claim**

The Board of Directors of Sarawak Consolidated Industries Berhad ("the Company") wishes to announce that its wholly owned subsidiary, SCIB Industrialised Building System Sdn. Bhd. ("the Plaintiff") had on 5<sup>th</sup> July 2016 through its solicitor, Messrs Loke, King, Goh & Partners Advocates sealed a Writ and Statement of Claim in respect of the High Court of Sabah and Sarawak Suit No. KCH-22NCvC-41/7-2016(HC 2) which was filed at the High Court of Sabah and Sarawak at Kuching ("Civil Suit"). The Civil Suit was filed by SCIB Industrialised Building System Sdn. Bhd. ("the Plaintiff") through its solicitors against Millennium Crest Sdn. Bhd. ("the Defendant").

The Defendant is required within 14 days from the date of receipt of the Writ and Statement of Claim to enter appearance, failing which, the Plaintiff will proceed to obtain judgement against the Defendant without further notice.

**The particulars of the claim under the Writ and Statement of Claim, including the amount claimed for and the interest rate**

Pursuant to the Writ and Statement of Claim, the Plaintiff claims the following from the Defendant:

- a) A declaration that the Plaintiff had practically completed its scope of works by 15<sup>th</sup> of November 2013.
- b) the principal sum of RM2,786,695.70 as at 29<sup>th</sup> December 2014;
- c) interest on the sum of RM2,786,695.70 at the rate of 7.6% per annum from 30<sup>th</sup> December 2014 until full and final settlement;
- d) the sum of RM4,725.00 as compensation for the arbitration cost;
- e) costs; and
- f) such further or other relief as the Honourable Court may deem fit and just.

**A confirmation as to whether SCIB Industrialised Building System Sdn. Bhd. ("SIBS") is a major subsidiary**

SIBS or the Plaintiff is not a major subsidiary of the Company.

**The cost of investment in SIBS**

The total cost of investment in SIBS is RM2,500,002/-.

**The financial and operational impact of the Writ and Statement of Claim on the Group**

The Group has adequate resources to meet the commitment of the claim and therefore, the Writ and Statement of Claim is not expected to have any material financial and operational impact on the Group.

**The expected losses, if any, arising from the Writ and Statement of Claim**

Save and except for the amount of outstanding sum due and owing to the Plaintiff from the Defendant and the legal costs, the Company is not expected to incur any further loss arising from the Writ and Statement of Claim.

**Steps taken and proposed to be taken in respect of the Writ and Statement of Claim**

The Company is seeking the necessary legal advice to resolve this matter.

This announcement is dated 13 July 2016