



## 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 Properties Sdn. Bhd. [Registration No.: 200101019135 (554892-V)]**, a wholly-owned subsidiary of SCIB had on 12 December 2023 entered into a Memorandum of Understanding (“MOU”) with **Kemena City Development Sdn. Bhd. [Registration No.: 202201014461 (1460158-X)]** and **Smart Borneo Properties Sdn. Bhd. [Registration No.: 202101016056 (1416356-K)]** (collectively referred to as “Parties”) to assess and collaborate on a potential joint venture related to the development (“Proposed JV”) on Lot 43 & Lot 44, Block 34, Kemena Land District, Bintulu for residential development purpose wherein, the area of the said land is approximately 50 acres and consists of approximately 600 units of residential houses with an estimated gross development value of RM250,000,000.00 (hereinafter referred to as “Project”).

### 2. DETAILS OF THE MOU

#### 2.1 Background Information of Kemena City Development Sdn. Bhd. and Smart Borneo Properties Sdn. Bhd.

**Kemena City Development Sdn. Bhd.** is a private-limited company engaged in property development. Meanwhile, **Smart Borneo Properties Sdn. Bhd.** is a private-limited company engaged in real estate activities with own or leased property of new engineering contract (N.E.C).

#### 2.2 Salient Terms of the MOU

##### 2.2.1 Purposes of the MOU

The proposed MOU shall come into force upon the date of execution by both Parties of this MOU (“**Commencement Date**”) and shall remain until a further agreement has been executed (refer to Clause 3) or the termination of the MOU.

#### **2.2.2 Scope**

Parties shall exchange knowledge, skills, expertise and industry insights as well as conduct discussions, coordination and data exchange including but not limited to the development studies in relation to the residential houses in Kemena Land, Bintulu to ensure the successful execution of the Project.

#### **2.3 Further Agreement**

Parties shall execute a further agreement (“Further Agreement”) in respect of the Proposed JV setting out the rights, terms and conditions as may be mutually agreed by the Parties.

#### **2.4 Terms and Termination**

This MOU and any dispute or claim arising out of or in connection with the Proposed JV shall be governed by and construed in all respects in accordance with the laws of Malaysia and shall be resolved by way litigation by courts of competent jurisdiction.

Parties agree that no amendment, revision or other variation of the MOU shall be valid unless it is in writing, is dated, expressly refers to this MOU, and is signed by a duly authorized representative of each Party thereto.

### **3. RISK FACTORS**

This is not intended to create any legally binding or enforceable rights or obligations save for MOU is intended to constitute an expression of mutual understanding of the Parties in respect of the Proposed JV and Clause 7 of the MOU.

### **4. FINANCIAL EFFECTS OF THE 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 2024.

**5. 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 MOU.

**6. APPROVALS REQUIRED**

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

**7. DOCUMENT AVAILABLE FOR INSPECTION**

The MOU is available for inspection at the business address of the Company at Lot 16024, Jalan Nilam 4, Kawasan Perindustrian Nilai Utama, 71800 Nilai, Negeri Sembilan 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 12 December 2023.