



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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

(Incorporated in Malaysia)

1. INTRODUCTION

Reference is made to the previous announcement made by Sarawak Consolidated Industries Berhad (“**SCIB**” or “**the Company**”) on 7 June 2022 in relation to the acceptance of the Letter of Award (“**LOA**” or “**Contract**”) for an Engineering, Procurement, Construction and Commissioning (“**EPCC**”) contract awarded by Ennova Sdn. Bhd. (“**ENNOVA**”) to its indirect wholly-owned subsidiary company, SCIB Properties Sdn. Bhd. (“**SCIBP**”) for the Project Engineering Services for DBKL Integrated Smart Lamp Pole Replacement, within Klang Valley, Malaysia of 200 units of Pole (Monopoles), with estimated value of the Contract is RM30,750,000.00 (Ringgit Malaysia: Thirty Million Seven Hundred and Fifty Thousand) only. (“**Project**”).

All abbreviations used in this announcement shall carry the same meaning as that given in the announcement dated 7 June 2022 unless stated otherwise.

The Board of Directors of SCIB wishes to announce that SCIBP had on 21 March 2025 issued a Notice of Termination (“**Notice**”) to ENNOVA (referred to as “**the Party**”) to terminate the Contract.

2. FACTOR RESULTED TO TERMINATION OF CONTRACT

ENNOVA had on 5 September 2023 acknowledges via Civil Mechanical Electrical (“**CME**”) Acceptance Checklist that pursuant to the Work Order, all of the works including variation works had been completed by SCIBP.

SCIBP then forwarded to ENNOVA the Progress Claim No. 1 dated 6 October 2023 which amounts to RM195,617.33 for the completed works including the variation works in accordance with Clause 8.1 of the LOA.

The Progress Claim No. 1 was due for payment to SCIBP by 4 January 2024.

ENNOVA had failed, neglected and/or refused to comply with the request to settle the total outstanding amount of RM195,617.33 (“**Outstanding Debt**”) owed to SCIBP despite SCIBP’s repeated reminders and demands, which constitutes a breach of Clause 8.2 of the LOA, whereby the payment shall be made within **ninety (90) days** of the date of the Invoice.

The Company is enforcing its rights under the Contract and taking the necessary measures to protect SCIB's interests in mitigating the risks arising from potential project delays due to long outstanding debts owing by ENNOVA.

The termination shall be effective immediately as of the date of the Notice as it involves a repudiatory breach of the Contract.

SCIBP had sought legal advice from the solicitors and commenced its legal proceedings against ENNOVA. SCIB will make the necessary announcement if there is any material development.

3. FINANCIAL EFFECTS

As of the announcement date, the amount owing by ENNOVA has been impaired in the previous financial year. The termination of Contract is not have any material effect on the gearing, earnings per share and net assets of SCIB for the financial year ending 30 June 2025.

This termination of Contract will not have any effect on the issued share capital and the shareholdings of substantial shareholders of the Company as the Project do not involve any issuance of new ordinary shares in SCIB.

4. RISK FACTORS

Barring any unforeseen circumstances, there is no risk factor identified in relation to the termination of the Contract.

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

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

6. STATEMENT BY DIRECTORS

The Board, having taken into consideration all aspects of the termination of the Contract, is of the opinion that the aforesaid Notice is in the best interest of the Company.

7. APPROVALS REQUIRED

The termination of the Contract is not subject to the approvals of any authority and / or the shareholders of SCIB.

This announcement is dated 21 March 2025.