



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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

(Incorporated in Malaysia)

Subject: Material Litigation

Description: Sarawak Consolidated Industries Berhad ("the Plaintiff") – Writ of Summons under Suit No BA-22NCC-83-07/2023 ("the Summons") filed by Sarawak Consolidated Industries Berhad ("the Plaintiff") against Dynamic Prestige Consultancy Sdn. Bhd. (Registration no. 201801015875 (1277891-T)) ("the Defendant").

1. Introduction

The Board of Directors of Sarawak Consolidated Industries Berhad as the Plaintiff wishes to announce that the Company had on 26 July 2023 through its solicitors, Messrs. Halim Hong & Quek served the said Summons under Suit No. BA-22NCC-83-07/2023 to the Defendant and claiming from them to refund the sum of RM14,000,000 back to the Plaintiff.

2. Background Facts of the Summons

- 2.1 The Plaintiff has paid an amount of RM14,000,000.00 in tranches in October 2022 and November 2022 to the Defendant to collaborate and become strategic business partners to explore business opportunities in the Engineering, Procurement, Construction and Commissioning ("EPCC") sector.
- 2.2 The Defendant in consideration, were to propose a Redeemable Convertible Preference Shares ("RCPS") in their company. In their letter dated 07.03.2023, it is agreed that the sum of RM14,000,000.00 paid shall be refunded by the Defendant should either party decided not to continue with the RCPS.
- 2.3 As to date, the Defendant has failed to refund the sum of RM14,000,000.00 back despite the Plaintiff's decision to not continue with the RCPS.

3. Financial Effects

As of the announcement date, the amount owing by the Defendant has not been impaired. The outstanding balances will be subject to impairment review in the next reporting quarter, in any event, should the outstanding balances be fully impaired, the group gearing will be increased and earnings per share as well as net assets of SCIB will be reduced as a result of the impairment loss for the financial year ended 30 June 2023 and the financial year ending 30 June 2024. Any impairment loss will be written back upon subsequent recovery of the debts.

The Summons will not have any effect on the issued share capital and the shareholdings of substantial shareholders of the Company.

4. Steps taken and proposed to be taken in respect of the Writ of Summons

The matter is in the hands of our Solicitors and the Company is seeking the necessary legal advice to resolve this matter.

This announcement is dated 27 July 2023