



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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

(Incorporated in Malaysia)

1. INTRODUCTION

Reference is made to the previous announcements made by Sarawak Consolidated Industries Berhad (“**SCIB**” or “**the Company**”) on 10 September 2021 in relation to Engineering, Procurement, Construction and Commissioning (“**EPCC**”) contract awarded to its wholly owned subsidiary company, SCIB Infracore Sdn. Bhd. (Registration No.: 200101019133 (554890-K)) (“**SCIBI**”) for the project as follows (“**Project**”): -

Contract title	Client	Country
Projek Pembangunan Stesen Pemindahan Sisa Pepejal di Pekan Nenas, Pontian, Johor Darul Takzim (“ the Contract ”)	Satria Kasturi (M) Sdn. Bhd. (“ Main Contractor ”)	Malaysia

The Board of Directors of SCIB wishes to announce that its wholly owned subsidiary company, SCIBI had on 5 September 2023 acknowledged and accepted the Notice of Termination issued by Satria Kasturi (M) Sdn. Bhd. (collectively referred to as “**Parties**” and each of them is referred to as “**Party**”) to mutually terminate the Contract as listed above, and unconditionally release and indefinitely discharge both parties from all claims, liens, and obligations of every nature arising out of or in connection with the performance of the works, and all amendments thereto, save and except, the claims for work done (“**Work Claim**”), agreed by the parties for the obligations and liability as of the cut-off date on 12 May 2022.

2. RATIONALE OF THE TERMINATION OF THE CONTRACT

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 cost factors.

3. FINANCIAL EFFECTS

The outstanding amounts due and owing by the Client have been fully impaired in the Financial Year Ended 30 June 2023.

As a result, the termination of Contract will not have any material effect on the gearing, earnings per share and net assets of SCIB for the financial year ending 30 June 2024.

The amount impaired shall be written back upon recovery of the debts.

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

4. RISK FACTORS

Barring any unforeseen circumstances, there is no risk factors identified in relation to the termination of Contract, except for the non-payment of the Work Claim.

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and / or major shareholders of the Company and / or persons connected have any interest, direct and / or indirect, in this matter.

6. STATEMENT BY DIRECTORS

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

7. APPROVALS REQUIRED

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

This announcement is dated 5 September 2023