



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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

(Incorporated in Malaysia)

SUBJECT: PROPOSED ACQUISITION OF THE 100% EQUITY INTEREST IN KENCANA PRECAST CONCRETE SDN. BHD. (“KPCSB”) (“PROPOSED ACQUISITION”)

DESCRIPTION: THE SUPPLEMENTAL AGREEMENT TO THE SHARE SALE AGREEMENT DATED 14 APRIL 2021

1. INTRODUCTION

We refer to the Company's announcement dated 14 April 2021 and 16 April 2021 in relation to the Proposed Acquisition ("Announcement"). Unless otherwise stated, the terms used herein shall have the same meanings as those set out in the Announcement.

Pursuant to the Share Sale Agreement dated 14 April 2021 (hereinafter referred to as “**Principal Agreement**”), the Board wishes to announce that the Parties have on 11 August 2021 entered into a Supplemental Agreement to record the Parties’ mutual consent to vary and supplement the Principal Agreement in the manner as set out in the Supplemental Agreement, mainly related to inclusion of additional party as a vendor which is Bintang Kencana Sdn. Bhd. (“**BKSB**”).

2. AMENDMENTS TO THE SHARE SALE AGREEMENT DATED 14 APRIL 2021

On 20 April 2021, KPCSB has allotted and issued and BKSB has subscribed from KPCSB, Three Million and Nine Hundred Thousand (3,900,000) new ordinary shares in KPCSB.

Subsequently on 30 July 2021, KPCSB has allotted and issued and BKSB has subscribed from KPCSB, Three Million and Five Hundred Thousand (3,500,000) new ordinary shares in KPCSB.

Thus, to reflect the above, kindly refer to the material amendments of the Principal Agreement as follows:

2.1 AMENDMENTS ON THE PARTIES TO THE PRINCIPAL AGREEMENT

- (i) The Parties to the Principal Agreement shall be amended by adding the following new party as one of the Vendors:-

“BINTANG KENCANA SDN. BHD. (Registration No. 198901006428 (183733-U)), a company incorporated in Malaysia and having its registered address and principal place of business at No. 5-01, Jalan Padi Mahsuri 12, Bandar Baru Uda, 81200 Johor Bahru, Johor and 39-1, Jalan Putrapermai 1A, Taman Equine, Seri Kembangan, 43300 Selangor”

- (ii) BKSB hereby confirms that it has received a copy of the Principal Agreement and undertakes to be bound by all its terms applicable to BKSB as the Vendors to the Principal Agreement with effect from the date of this Supplemental Agreement.

2.2 AMENDMENTS TO RECITAL (B)

- (i) Upon the said allotment of new shares to BKSB, the issued share capital of the KPCSB is Ringgit Malaysia Eight Million and Four Hundred Thousand (RM8,400,000.00) divided into Eight Million and Four Hundred Thousand (8,400,000) ordinary shares held by the respective registered and beneficial owners thereof in the respective numbers of ordinary shares stated in column (2) below and representing the respective proportions of KPCSB as follows:

Column (1)	(2)	(3)	(4)	(5)	(6)
Vendors	Number of Sale Shares	% of total issued capital of KPCSB	Deposit	Part Payment	Final Balance Payment
NAB	750,000	8.93%	RM178,600.00	RM221,642.60	RM44,471.40
MKMH	150,000	1.78%	RM35,600.00	RM44,179.60	RM8,864.40
IMN	100,000	1.19%	RM23,800.00	RM29,535.80	RM5,926.20
BKSB	7,400,000	88.10%	RM1,762,000.00	RM2,186,642.00	RM438,738.00
TOTAL	8,400,000	100%	RM2,000,000.00	RM2,482,000.00	RM498,000.00

2.3 AMENDMENTS TO CLAUSE 4.2

- (i) Clause 4.2(a)(i) on Method of Payment pursuant to the Principal Agreement is amended by substituting with the following:-

an amount of Ringgit Malaysia Two Million (RM2,000,000) (“Deposit”) has been paid by the Purchaser to the 3 initial Vendors which is NAB, MKMH and IMN in the proportion set out in Clause 4.2(a)(i) of the Principal Agreement which the Vendors, inclusive of BKSB hereby acknowledge receipt the same”

- (ii) Clause 4.2(a)(ii) on Method of Payment pursuant to the Principal Agreement is amended by substituting with the following:-

“on 9 April 2021, an amount of Ringgit Malaysia Two Million Four Hundred and Eighty Two Thousand (RM2,482,000), being ninety per cent (90%) of the balance of the Purchase Consideration (“Part Payment”) has been paid by the Purchaser to the Vendors in the proportion set out in Clause 4.2(a)(ii) of the Principal Agreement which the Vendors, inclusive of BKSB hereby acknowledge receipt the same”

2.4 EXTENSION OF TIME

The Parties hereto agree to extend the Conditional Period for a further term of up to 16 August 2021 or such other extended date the parties may mutually agree in writing for the Parties to fulfil all the Conditions Precedent.

2.5 PRINCIPAL AGREEMENT STILL SUBSISTING

This Supplemental Agreement shall be construed as one with the Principal Agreement accordingly, without prejudice to the generality of the foregoing.

The term “Agreement” in the Principal Agreement and all references to Supplemental Agreement howsoever expressed in all other instruments and agreement executed thereunder or pursuant thereto shall, for all purposes, refer to the Principal Agreement as varied, modified and supplemented by this Supplemental Agreement.

3. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

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

4. STATEMENT BY DIRECTORS

The Board of Directors of the Company is in the opinion that the Supplemental Agreement is in the best interest of the Company.

5. APPROVALS REQUIRED

The Supplemental Agreement is not subject to the approval of the shareholders of SCIB or any regulatory authorities.

6. EXPECTED TIMEFRAME TO COMPLETE THE PROPOSED ACQUISITION

The Proposed Acquisition is expected to complete by the third quarter of year 2021.

7. DOCUMENT AVAILABLE FOR INSPECTION

The Principal Agreement and the Supplemental Agreement are available for inspection for three (3) months from the date of this announcement during normal business hours at the Registered Office of SCIB at Lot 1258, Jalan Utama, Pending Industrial Estate, 93450 Kuching, Sarawak.

Date of Announcement: 11 August 2021