

## **ECOSCIENCE INTERNATIONAL BERHAD (“ECOSCIENCE” OR “THE COMPANY”)**

### **ACCEPTANCE OF LETTER OF AWARD FOR THE DESIGN, SUPPLY AND FABRICATE CONTRACT FOR REFINERY FACTORY FROM PT. WIJAYA INTI NUSANTARA SAWIT (“PWINS”)**

#### **1. INTRODUCTION**

The Board of Directors of Ecoscience (“**Board**”) is pleased to announce that the Company’s wholly-owned subsidiary, Ecoscience Manufacturing & Engineering Sdn. Bhd. (“**EMESB**”) had on 25 August 2023 accepted a Letter of Award (“**LA**”) issued by PWINS to undertake, amongst others, the design, supply and fabricate works for the construction of the palm oil refinery complex consisting 300 tonnes per day (“**TPD**”) physical refining plant, 300TPD dry fractionation plant and bottling plant for Palopo Industrial Park at Sulawesi, Indonesia (“**Works**”) (“**Project**”).

#### **2. SALIENT TERMS OF THE LA**

- (i) The contract sum is RM24,040,000.00.
- (ii) The commencement of the Works shall be subject to the receipt of down payment from PWINS, which will be notified by PWINS in writing at a later stage.
- (iii) The completion period of the Project inclusive of any mobilisation shall be six (6) months upon receipt of the down payment from PWINS.
- (iv) In the event EMESB fail to complete the Works by the completion period stipulated or by any extended date as provided in the LA, EMESB shall pay the liquidated ascertained damages sum of RM24,000.00 per day on a per day basis for the period in the Works that remained incomplete. The maximum percentage of liquidated ascertained damages may not exceed 5% of the contract sum (i.e. RM1,202,000.00).
- (v) The defects liability period shall be twelve (12) months from the actual completion of the Works.
- (vi) A performance bond by way of a banker’s guarantee of an amount equivalent to 5% of the contract sum (i.e. RM1,202,000.00) shall be provided by EMESB and to be effective until the completion period and including the defects liability period as set out above.

#### **3. RISK FACTORS**

There are no foreseeable significant risks other than the usual operational risks associated with the LA that are in the ordinary course of business of Company and its subsidiaries (“**Group**”), which the Group would take appropriate measures to minimise.

#### **4. FINANCIAL EFFECTS**

Barring any unforeseen circumstances, the LA is expected to contribute positively towards the earnings and net assets of the Group during the duration of the Project assuming no material delay in the timing as stated in Section 2 above.

The LA will not have any effect on the share capital and shareholdings structure of the Company.

#### **5. APPROVALS REQUIRED**

The LA, being part of the ordinary course of business of the Group, is not subject to the approval of shareholders of the Company or any relevant authorities.

#### **6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

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

## **7. STATEMENT BY THE BOARD**

The Board, after having considered all aspects of the LA, is of the opinion that the acceptance of the LA is in the best interest of the Company.

This announcement is dated 25 August 2023.