



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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

(Incorporated in Malaysia)

1. INTRODUCTION

The Board of Directors of Sarawak Consolidated Industries Berhad (“**SCIB**” or “**Company**”) wishes to announce that the Company, had on 1 September 2021 accepted a Letter of Award (“**LOA**”) for an engineering, procurement, construction and commissioning (“**EPCC**”) contract for Procurement, Supply, Installation, Testing & Commissioning of Medical Equipment for Proposed Development of Specialist Hospital by Kencana Healthcare Sdn. Bhd. in Johor.

2. DETAILS OF CONTRACT AWARDED

The details of the contract awarded are as follows:

Contract Title	Client	Expected Duration	Segment	Country
Procurement, Supply, Installation, Testing and Commissioning of Medical Equipment for Cadangan Pembangunan Kompleks Hospital Pakar Dan Parkir Bertingkat Di Atas Tanah Wakaf Majlis Agama Islam Johor Di Atas Lot PTB 17458, Jalan Tahana, Bandar Baru Uda, Johor Bahru, Johor Darul Ta'zim (“ Project ”)	Kencana Healthcare Sdn. Bhd. (“ KHSB ”)	Minimum period of ten (10) years and shall be mutually extended for another five (5) years from the date of full completion of the scope of supply, install, testing and commissioning of all the medical equipment on the Project site	EPCC	Malaysia

The estimated contract value of the contract awarded above is RM80,000,000.00 (Ringgit Malaysia: Eighty Million Only). This is the maximum purchasing budget for all equipment to be supplied on capital equipment lease concession basis.

The primary Scope of Work (“**SOW**”) under the Contract shall include but not limited to:

- i. Sourcing and negotiation of all medical equipment (based on the supply list that shall be provided by **KHSB** and endorsed by Institute Jantung Negara (“**IJN**” or **hereinafter referred to as “the Operator”**)).
- ii. Ensuring compliance with the specifications provided and certification by the Medical Device Authority.
- iii. Where applicable, provide test certifications and test results (if required by operator)
- iv. Supply, install and commissioning of all medical equipment.
- v. Provide all operating manual and technical operating data and documents for each equipment supplied, where applicable.
- vi. Provide all operational training for any relevant equipment or as requested by the Operator.
- vii. Provide comprehensive maintenance (operation and intermediate level maintenance) for a period of ten (10) years commencing from the date of installation, acceptance of supply or commissioning of the equipment (first three (3) years free and at no additional charge to **KHSB**).

The formal agreement for the abovementioned contract shall be executed in due course.

3. FINANCIAL EFFECTS

The contract secured will not have any effect on the issued share capital and the shareholdings of substantial shareholders of the Company. The contract secured is not expected to have any material effect on the net assets of SCIB and its group of companies (“**SCIB Group**”) for the financial year ending 30 June 2022. Any profits attributable to the Group would be realized in stages over the tenure of the contract based on the progress of the project. The contract secured is expected to contribute positively to SCIB Group’s future earnings over the duration of the contract.

4. RISK FACTORS

The risk factors affecting the contract includes changes in economic, political and regulatory environment and normal business risk namely construction risk, operational risk such as increase in cost due to any escalation of material costs, availability of skilled manpower, materials and contractual terms including default provision and subcontractors' performance. However, SCIB will put in place control measures and operational procedures to mitigate the risks.

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, direct and/or indirect, in the contracts.

6. STATEMENT BY DIRECTORS

The Board of Directors of the Company is in the opinion that the above contract is in the ordinary course of business and is in the best interest of the SCIB Group.

7. APPROVALS REQUIRED

The contract is not subject to the approval of the shareholders and/or any regulatory authorities.

This announcement is dated 1 September 2021.