



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 3 August 2022 entered into a Memorandum of Understanding (“**MOU**”) with PT Semesta Noor Berkarya (Registration No.: (“**SNB**”) and PT Envy Manajemen Konsultansi (“**EMK**”) (collectively referred to as “**Parties**”) to establish a cooperation and collaboration in the Base Transceiver Station (BTS) 4G Infrastructure Works project (“**the Project**”).

2. DETAILS OF THE MOU

2.1 Background Information of SNB

SNB is a limited liability company registered under the laws of Indonesia and having its business address at Komplek Batu Mas, Jalan Batu mas VI/K 2, Bandung RT.003 RW.010, Ciseureuh, Regol, Kota Bandung Jawa Barat, Indonesia. SNB is a state-owned enterprise of the Republic of Indonesia and had engaged in construction services with various supporting industries. SNB has expertise in the fields of construction, property, Engineering, Procurement, Construction (EPC), and investment, and has experience in handling large-scale projects domestically.

2.2 Background information of EMK

EMK is a limited liability company registered under the laws of Indonesia and having its business address at Menara Dea Tower II, 7th floor, Suite 702, Jl. Mega Kuningan Barat Kav. E 4.2 No. 1-2, South Jakarta, Indonesia. EMK is a limited liability company of the Republic of Indonesia who is involved in business advisory, consultation, project management and other corporate management consulting activities.

2.3 Purposes of the MOU

The purpose of this preliminary and legally non-binding MOU is to record the mutual understanding and current intent of the Parties with respect to exploring a working relationship and cooperation for the Project and to set out the principal terms of the arrangement between the Parties under which the Parties will further negotiate with each other amongst others as stated in the objective clause of the MOU and execute a more detailed and definitive relevant agreement thereafter.

2.4 Salient Terms of the MOU

The objective of the MOU is to set forth the Parties understanding and willingness in the MOU for the purpose of the Project, subject to detailed terms and conditions to be mutually agreed between the Parties.

The MOU is merely executed to set out the understanding and intent of the Parties to cooperate in the areas set out therein and shall have no legal effect or create any legal liabilities upon the Parties. However, the Parties are committed to working cooperatively, expeditiously, and efficiently to document the components of the transaction through a binding agreement, using the MOU as a guide.

Subject to the terms of the MOU and the laws, rules, regulations and national policies from time to time in force in Indonesia, the Parties shall endeavour to take the necessary steps:

- (a) to establish a legal relationship between the Parties for the Project; and
- (b) to develop the Project in accordance with the areas of cooperation and it is to be mutually agreed upon by the Parties

Either Party may request in writing a revision, modification, or amendment of all or any part of the MOU. Any revision, modification, or amendment agreed to by the Parties shall be reduced into writing and signed by the Parties and shall form part of the MOU.

The MOU shall come into force on the date of signing and shall remain in force for the period of six (6) months or until the relevant Agreement is executed, whichever is earlier. Notwithstanding anything in the MOU, either Party may terminate the MOU by notifying the other Party of its intention to terminate the MOU by giving one (1) month's notice in writing in between its enforcement period, prior to its intention to do so.

3. ROLES AND SCOPE OF WORK OF THE PARTIES

The Parties also have mutually agreed to enter into the MOU to express the willingness of the Parties to engage in a meaningful discussion for setting out the initial interest and commitment of the Parties to collaborate on the following areas of cooperation:

SNB

SNB will become the job executor for the Project, and in this case will conduct site surveys, site acquisitions (SITAC), build and/or install and/or operate towers/telecommunication towers/BTS and/or install telecommunication antennas for other building structures and/or other supporting infrastructure as well as fine-tuning and integration work.

SCIB

SCIB is to anchor the formation of the partnership towards fulfilling the delivery of the construction of the 4G towers, as well as providing corporate management setup.

EMK

EMK will be involved in project operational, project management, providing technical supervision and other related project implementation for all parties within the agreement.

4. FINANCIAL EFFECTS OF MOU

The MOU will not have any effect on the issued share capital and the shareholdings of substantial shareholders of the Company. It is not expected to have any material effect on the earnings, net assets and gearing of SCIB and its group of companies for the financial year ending 30 June 2022 and 30 June 2023.

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders of the Company and/or person connected with them has any interest, direct and/or indirect, in the MOU.

6. STATEMENT BY DIRECTORS

The Board of Directors of the Company, having reviewed and considered the terms of the MOU and the rationale, is of the opinion that the MOU is in the best interest of the SCIB and its group of companies.

7. APPROVALS REQUIRED

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

8. DOCUMENT AVAILABLE FOR INSPECTION

The MOU is available for inspection at the registered office of the Company at Block 1, Star Central Corporate Park, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan during normal office hours from Monday to Friday (except for public holidays) for a period of one (1) month from the date of this announcement.

This announcement is dated 3 August 2022

(A copy of the Press Release is attached)