



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 SCIB International (Labuan) Ltd. (LL16482), a wholly-owned subsidiary of SCIB, had on 18 August 2020 accepted a Letter of Award and Acceptance (“**LOA**”) for an engineering, procurement, construction and commissioning (“**EPCC**”) contract.

2. DETAILS OF CONTRACT AWARDED

The details of the contract awarded under **SCIB International (Labuan) Ltd.** are as follows:

Contract Title	Client	Expected Duration	Segment	Country
Earthwork job for toll road construction project Prabumulih – Muara Enim	PT Cipta Multi Sarana	Oct 2020 – Apr 2021 (210 Calendar days or 7 months)	Construction/ EPCC	Indonesia

The estimated contract value of the contract awarded above is USD13,261,571 (equivalent to approximately RM55.59 million based on the exchange rate of USD1.00:RM4.1915, being the middle rate prevailing as 5.00 pm on 13 August 2020, as published by Bank Negara Malaysia)

The formal agreement for the abovementioned contract shall be executed between the parties 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 are not expected to have any material effect on the net assets and gearings of SCIB and its group of companies (“**SCIB Group**”) for the financial year ending 31 December 2020.

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 contract is subject to normal business risks such as construction risk, increase in cost due to any escalation of material costs, availability of skilled manpower, materials and contractual terms including default provision and subcontractors’ performance as well as foreign exchange risks due to currency fluctuations. However, SCIB will put in place control measures and operational procedures to mitigate the risks.

5. DIRECTORS’ AND/OR 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 contract.

6. STATEMENT BY DIRECTORS

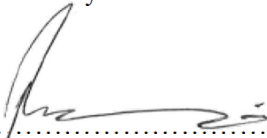
The Board of Directors of the Company is in the opinion that the above contract is in the ordinary course of business and is in the best interest of the SCIB Group.

7. APPROVALS REQUIRED

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

Date of announcement: 18 August 2020

Approved by:



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Name: Rosland Bin Othman

Date: 18 August 2020