



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

[Reg. No. 197501003884 (25583-W)]

(Incorporated in Malaysia)

General Announcement

1. INTRODUCTION

The Board of Directors of Sarawak Consolidated Industries Berhad (“**SCIB**” or “**Company**”) wishes to announce the following:

- (i) SCIB International (Labuan) Ltd. (“**SILL**”), a wholly owned-owned subsidiary of SCIB, has accepted a Letter of Award and Acceptance (“**LOA**”) from Serba Dinamik International Limited (“**SDIL**”), a subsidiary of Serba Dinamik Holdings Berhad (“**SDHB**”), for an engineering, procurement, construction and commissioning (“**EPCC**”) contract in Abu-Dhabi; and
- (ii) SCIB Industrialised Building System Sdn. Bhd. (“**SIBS**”), a wholly owned-owned subsidiary of SCIB, has accepted the LOA from Serba Dinamik Development Sdn. Bhd. (“**SDDSB**”), a subsidiary of **SDHB**, for an EPCC contract in Pengerang, Daerah Kota Tinggi, Johor Darul Tazim, Malaysia.

As disclosed in the Company’s respective Circular to Shareholders dated 18 May 2020 (“**Circulars**”) in relation to the shareholders’ mandate for SCIB group of companies (“**SCIB Group**”) to enter into recurrent related party transactions of a revenue and/or trading nature (“**RRPTs**”) with SDHB group of companies (“**SDHB Group**”), the awards of the above contracts are considered as RRPTs and are in the ordinary course of the day-to-day operations of SCIB Group.

Accordingly, pursuant to the Paragraphs 10.09(1)(a) and 10.09(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of SCIB had sought shareholders’ mandate for the RRPTs to be entered into between SCIB Group and SDHB Group.

The approval for the New Shareholders’ Mandate for the RRPTs was received from the shareholders of SCIB at the Extraordinary General Meeting held on 3 June 2020 and the

approval for the Renewal of Shareholders' Mandate for the RRPTs was received from the shareholders of SCIB at the Annual General Meeting held on 18 June 2020.

2. DETAILS OF CONTRACTS AWARDED

2.1 The details of contract awarded under SILL are as follows:

| Contract Title | Client | Duration | Segment | Country |
|--|-------------------------------------|---|--------------------|-----------|
| Enabling Works, Infrastructure, Landscaping Hybrid Mall and Management/ Sales Office for Phase 1 | Serba Dinamik International Limited | Oct 2020 to Sept 2024 (1,460 calendar days or approximately 4 years) | Construction/ EPCC | Abu-Dhabi |

The estimated contract value of the contract awarded above is USD145,000,000 (equivalent to approximately RM607.77 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 in due course.

2.2 The details of contract awarded under SIBS are as follows:

| Contract Title | Client | Duration | Segment | Country |
|--|-------------------------------------|--|--------------------|----------|
| Piling works for Cadangan Pembangunan Perdagangan Berstrata yang mengandungi : i. 1 Blok Menara Pejabat 28 Tingkat (167 unit), 3 Tingkat Ruang Perniagaan Berserta Mezzanine, 1 Tingkat Kemudahan | Serba Dinamik Development Sdn. Bhd. | Oct 2020 to May 2021 (8 months) | Construction/ EPCC | Malaysia |

| Contract Title | Client | Duration | Segment | Country |
|---|--------|----------|---------|---------|
| Utiliti dan Tingkat Helipad | | | | |
| ii. Blok Menara Pangsapuri Perkhidmatan (A) 23 Tingkat (292 unit) | | | | |
| iii. 1 Block Menara Pangsapuri Perkhidmatan (B) 25 Tingkat (299 unit) | | | | |
| iv. 1 Blok Menara Pangsapuri Perkhidmatan (C)15 Tingkat (236 unit) dan 1 Tingkat Ruang Perniagaan Berserta Kemudahan | | | | |
| v. 3 Tingkat Ruang Perniagaan Berserta Aras Bawah Tanah | | | | |
| vi. 4 Tingkat Podium Tempat Letak Kenderaan Berserta Ruang Perniagaan dan 1 Tingkat Kemudahan Termasuk Gimnasium, Kolam Renang, Surau, Tadika dan Dewan Serbaguna | | | | |
| vii. 2 Tingkat Tempat Letak Kenderaan Aras Separa Bawah Tanah | | | | |

| Contract Title | Client | Duration | Segment | Country |
|---|--------|----------|---------|---------|
| di atas Sebahagian PTD 5317 dan Sebahagian PTD 9112, Mukim Pengerang, Daerah Kota Tinggi, Johor Darul Tazim | | | | |

The estimated contract value of the contract awarded above is RM43,884,894.

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

3. FINANCIAL EFFECTS

The contracts secured will not have any effect on the issued share capital and the shareholdings of substantial shareholders of the Company.

The contracts secured are not expected to have any material effect on the net assets and gearings of 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 contracts based on the progress of the projects. The contracts secured are expected to contribute positively to SCIB Group's future earnings over the duration of the contracts.

4. RISK FACTORS

The contracts are 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

Save for the below and as disclosed in the Circulars, none of the other Directors and/or major shareholders of the Company and/ or person connected with them have any interest, whether direct and/or indirect, in the contracts.

Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah ("**Dato' Dr. Karim**" or "**Interested Director**"), is the Non-Independent Non-Executive Chairman and Major Shareholder of SCIB. Dato' Dr. Karim is also the Group Managing Director/ Chief Executive Officer and Major Shareholder of SDHB.

As such, Dato' Dr. Karim is deemed to be interested in the contracts awarded.

Accordingly, Dato' Dr. Karim has abstained and will continue to abstain from all deliberations and voting at board meetings and/ or general meeting in relation to the RRPTs.

6. STATEMENT BY DIRECTORS

The Board of Directors of the Company, save for the Interested Director, is in the opinion that the above contracts are in the ordinary course of business, are in the best interest of the Company, fair, reasonable and on normal commercial terms and are not detrimental to the interests of the minority shareholders of SCIB.

7. STATEMENT BY AUDIT COMMITTEE

The Audit Committee of the Company, after having considered the nature and the rationale of the RRPTs and all aspects of the RRPTs, is of the opinion that the RRPTs are in the best interest of the Company, the terms of the RRPTs are fair, reasonable and on normal commercial terms and not detrimental to the interests of the minority shareholders of SCIB.

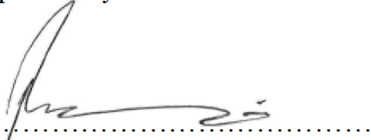
8. APPROVALS REQUIRED

As the aggregate amount of the RRPTs in respect of the above contracts are within the mandated value under the shareholders' mandate as approved by the shareholders of SCIB at the general meetings, the contracts are not subject to the approval of the shareholders.

The said contracts are also not subject to the approval of any regulatory authorities.

Date of Announcement: 18 August 2020

Approved by:

A handwritten signature in black ink, appearing to read 'Rosland Bin Othman', written over a horizontal dotted line.

Name: Rosland Bin Othman

Date: 18 August 2020