



## 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 the following:

- (i) SCIB Industrialised Building System Sdn. Bhd. (“**SIBS**”), a wholly owned subsidiary of SCIB, has accepted the LOA for one (1) EPCC contract in Sarawak, Malaysia; and
- (ii) SCIB International (Labuan) Ltd. (“**SILL**”), a wholly owned subsidiary of SCIB, has accepted the LOA for one (1) EPCC contract in Qatar.

### 2. DETAILS OF CONTRACTS AWARDED

2.1 The details of contract which is awarded under **SIBS** is as follows:

Contract Title	Client	Expected Duration	Segment	Country
Construction of new school with 12 Classrooms, 6 units of Teacher’s house and other Facilities at Sekolah Kebangsaan Kalok, Betong, Sarawak	Dermaga Makmur Sdn Bhd	Oct 2020 - Mar 2022 (18 months)	Construction/ EPCC	Malaysia

The estimated contract value of the contract awarded above is RM18.3 million.

2.2 The details of contract which is awarded under **SILL** are as follows:

<b>Contract Title</b>	<b>Client</b>	<b>Expected Duration</b>	<b>Segment</b>	<b>Country</b>
Civil works- Fire Water Project (47,000 mtrs) at Ras Laffan Industrial City- Power Station - Qatar	Pavilion Qatar Engineering Co. W.L.L.	Dec 2020- Nov 2021 (12 months)	Construction/ EPCC	Qatar

The estimated contract value of the contract awarded above is USD62,000,000 (equivalent to approximately RM252.836 million based on the exchange rate of USD1.00:RM4.078, being the middle rate prevailing as 5.00 pm on 1 December 2020, as published by Bank Negara Malaysia).

The formal agreements for the abovementioned contracts 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 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 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 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 of the opinion that the above contracts are in the ordinary course of business and are in the best interest of SCIB Group.

## **7. APPROVALS REQUIRED**

The contracts are not subject to the approval of the shareholders of SCIB and/or any regulatory authorities.

This announcement is dated 3 December 2020.