



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 Properties Sdn. Bhd. (Registration No.: 200101019135 (554892-V)), a wholly-owned subsidiary of SCIB, had on 12 May 2021 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 contract awarded under **SCIB Properties Sdn. Bhd.** are as follows:

Contract Title	Client	Expected Duration	Segment	Country
Cadangan Membina dan Menyiapkan 632 Unit Perumahan Rakyat 1 Malaysia (PRIMA) Fasa 1 yang Mengandungi: i. 2 Blok pangsapuri 21 Tingkat (632 Unit) (Block 1 of 316 Units; Block 2 of 316 Units Unit ii. 1 Dewan Serbaguna 1	AUEI Teras Holdings Sdn. Bhd.	June 2021 – Aug 2023 (792 Calendar days or 26 months)	Construction/ EPCC	Malaysia

<p>Tingkat</p> <p>iii. 1 Unit Surau 1 Tingkat</p> <p>iv. 1 Unit Nurseri & Kindergarten</p> <p>v. 1 Unit Pondok Pengawal 1 Tingkat</p> <p>vi. 1 Blok Bangunan Tempat Letak Kereta 4 ½ Tingkat</p> <p>Di Atas Sebahagian Zon A (14.782 Acres), Seksyen 75, Mukim Mentuan, Daerah Sering, Jajahan Kota Bharu (“Residensi PRIMA @ Kubang Kerian Phase 1”)</p>				
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The estimated contract value of the contract awarded above *excluding Dewan Serbaguna, Surau, Nurseri & Kindergarten, Pondok Pengawal and Infrastructure works* is RM120,000,000.00 (Ringgit Malaysia: One Hundred Twenty Million Only)

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 31 December 2021. 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 risk 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 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.