

STEEL HAWK BERHAD ("STEEL HAWK" OR THE "COMPANY")

REGISTRATION NO.: 202001043293 (1399614-A)

RE: LETTER OF AWARD AWARDED BY PBH ENGINEERING SDN BHD TO STEEL HAWK ENGINEERING SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

1. INTRODUCTION

The Board of Directors of Steel Hawk ("**Board**") is pleased to announce that Steel Hawk Engineering Sdn Bhd ("**SHESB**"), a wholly-owned subsidiary of Steel Hawk, had on 30 May 2022 accepted the letter of award ("**LOA**") awarded by PBH Engineering Sdn Bhd ("**PBHE**") in relation to provision of details engineering design, procurement, construction, installation and commissioning (cold) of storage and handling facilities for Propylene Oxide and Ethylene Oxide ("**Services**") operations in Kerteh, Terengganu.

Subsequently, the Company had on 30 May 2022 obtained consent from PBHE to release the announcement pertaining to the LOA.

2. INFORMATION OF PBHE

PBHE is a company incorporated in Malaysia and is involved in the construction of engineering projects. PBHE is the main contractor for the Services while SHESB shall be the sub-contractor for the Services pursuant to the acceptance of the LOA.

3. SALIENT TERMS OF THE LOA

- (i) The scope of work includes the following:-
 - (a) supply, fabrication, installation & testing of new Propylene Oxide ("**PO**") storage tank;
 - (b) provision of engineering, supply, non-destructive testing ("**NDT**"), final acceptance test ("**FAT**"), installation & testing of equipment (mechanical);
 - (c) supply, fabrication, testing and installation of new PO piping including of PO (jetty & feeding), vapor return, nitrogen, plant air, chilled water and service water line;
 - (d) provision of supply, fabrication, NDT, blasting & painting and installation of civil & structural work, installation & testing of the equipment & electrical working & instrumentation work, installation & testing of firefighting system;
 - (e) testing, pre-commissioning and commissioning;
 - (f) supply, fabrication, testing and installation of new Ethylene Oxide (EO) piping;
 - (g) provision of supply, fabrication, NDT, blasting & painting and installation of civil & structural work; and
 - (h) provision of supply, installation & testing of the instrumentation signal cable
- (ii) The contract price is RM51,396,210.90.
- (iii) The effective date shall be 30 May 2022, being the date of the LOA, and shall be valid until the completion of the Services by 30 July 2023 and the fulfilment of all SHESB's obligations.

4. RISK FACTORS

There are no foreseeable significant risks other than operational risk associated with the Services during the duration of the Services.

5. FINANCIAL EFFECTS

The LOA will not have any material effect on the issued and paid-up share capital, substantial shareholders' shareholdings, earnings, earnings per share ("**EPS**"), net assets per share and gearing of Steel Hawk and its subsidiary ("**Steel Hawk Group**"). Barring unforeseen circumstances, the Board is of the opinion that the Service is expected to contribute positively to the earnings and EPS of the Steel Hawk Group in the future.

6. APPROVALS REQUIRED

The LOA is being entered into in the ordinary course of business of Steel Hawk and is not subject to the approval of shareholders.

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of Steel Hawk and/or persons connected with them have any interest, direct or indirect, in the LOA.

8. STATEMENT BY DIRECTORS

The Board, after having considered all aspects of the LOA, is of the opinion that the LOA is in the best interest of Steel Hawk Group.

This announcement is dated 30 May 2022.