



**SARAWAK CONSOLIDATED
INDUSTRIES BERHAD**

Registration No.: 197501003884 (25583-W)

EMERGING STRONGER TOGETHER

through Transformation

ANNUAL REPORT 2024



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OVERVIEW

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CHAIRMAN'S STATEMENT

INTRODUCTION

In the midst of a challenging global economic landscape, **Sarawak Consolidated Industries Berhad** (“**SCIB**” or the “**Company**”) remains steadfast with a relentless commitment to innovation, resilience, and principled leadership. As I assume the role of Chairman, I am both honoured and excited to lead such an extraordinary company. Throughout the Financial Year Ended 30 June 2024 (“**FYE2024**”), our core values and dedication to sustainable growth have guided us. The success we have achieved is a testament to the collective efforts of our board, shareholders, and the entire SCIB team.

I am confident that SCIB is well-prepared to navigate future challenges and seize new opportunities, further enhancing value for all our stakeholders. I extend my deepest gratitude to the Board of Directors and our valued shareholders for their unwavering support and trust throughout the last fiscal year. The contributions and commitment of every member in these groups have been pivotal in shaping SCIB’s accomplishments.



Globally, the economic recovery is cautiously progressing. According to the International Monetary Fund (“**IMF**”), global growth is projected to reach 3.2% in 2024¹, with inflation expected to normalise to 5.8%². However, services inflation continues to impede disinflation efforts, complicating the normalisation of monetary policy. Upside risks to inflation have increased, raising the prospect of prolonged higher interest rates amidst escalating trade tensions and increased policy uncertainty. The policy mix must be carefully sequenced to achieve price stability and replenish diminished buffers.

Malaysia is expected to mirror this trend, with economic growth projections ranging from 4.0% to 5.0% for the year.³ This scenario presents both challenges and opportunities for businesses. As SCIB navigates these dynamics, our strategic focus on innovation, efficiency, and sustainability will be crucial in driving our growth and maintaining our competitive edge.

The Malaysian government’s emphasis on infrastructure projects, particularly with the revised Budget 2024 allocating RM90.0 billion⁴ towards development expenditures, is a driving force for our domestic construction sector. This significant investment aligns seamlessly with SCIB’s core strengths, especially in Engineering, Procurement, Construction and Commissioning (“**EPCC**”) contracts and our expansive building materials portfolio. We view these government initiatives as pivotal stepping stones that could usher in a plethora of opportunities for us in the forthcoming financial year.

In response to this favourable economic environment, SCIB has demonstrated remarkable resilience and adaptability. We have successfully secured construction contracts worth **RM349.9 million** for the Financial Year Ended 2024, underscoring our robust market position and operational strength. Additionally, our outstanding order book for construction and manufacturing segment stands in the region of approximately RM512.6 million as of 30 September 2024, reflecting the solid foundation of our business and promising a bright future.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>

² <https://gfmag.com/data/economic-data/worlds-highest-lowest-inflation-rates/#:~:text=According%20to%20the%20IMF%2C%20inflation,will%20exceed%20last%20year's%20figures.>

³ https://www.bnm.gov.my/documents/20124/12141961/emr2023_en_ch2.pdf

⁴ <https://www.mof.gov.my/portal/en/news/press-citations/budget-2024-highlights>

CHAIRMAN'S STATEMENT

(CONT'D)

Our strategy for the upcoming year focuses on diversification and innovation. As a leader in precast concrete and Industrialised Building System (“IBS”) manufacturing in East Malaysia, we aim to leverage our expertise to penetrate new markets. Our state-of-the-art manufacturing facilities in Kuching, Sarawak, with a combined annual capacity of 500,000 tonnes, position us well to undertake larger and more complex projects.

Our recent financial achievements are a source of great pride. SCIB reported a revenue of **RM166.6 million** for the Financial Year Ended 2024, showcasing our resilience in a challenging economic climate. The substantial gross profit of **RM35.4 million** and Profit After Tax (“PAT”) of **RM4.8 million** recorded in FYE2024 highlights our operational efficiency. These financial results are strong indicators of SCIB’s sustained financial health despite global uncertainties, as well as our diligent management’s effort to profitability.

These achievements and strategic plans highlight our dedication to sustainable growth and long-term value creation for our stakeholders. Moving forward, SCIB is committed to leveraging our strengths, exploring new opportunities, and confidently navigating the evolving market landscape.

SUSTAINABILITY

At SCIB, the principles of Environmental, Social, and Governance (“ESG”) remain at the forefront of our operations.

On the environmental side, SCIB has implemented responsible waste management practices, ensuring materials are recycled and processed with the highest care. We are consistently exploring ways to reduce waste, optimise energy use, and lower our carbon footprint. This proactive approach aligns with our broader sustainability goals and helps minimise the environmental impact of our activities.

Our commitment to societal well-being has led to the launch of various health and wellness initiatives for both our employees and the larger community. In response to the ongoing effects of the pandemic, we have introduced wellness sessions and health seminars, further enhancing our employee benefits. A significant aspect of our sustainability efforts is the incorporation of Industrialised Building System (“IBS”) into our product lineup. IBS not only boosts operational efficiency but also reinforces our ESG commitment by enabling off-site production, which reduces on-site pollution and speeds up construction timelines. Through IBS, we aim to refine the construction process, improve project efficiency, and address issues such as labour shortages, all while maintaining the highest quality standards.

On the governance aspect, integrity and corporate governance are central to SCIB’s success. We are committed to the highest standards of ethical behaviour, transparency, and accountability across all business activities. Our governance framework ensures that decision-making processes are guided by fairness, compliance, and a commitment to safeguarding shareholder interests. We regularly review our policies to align with industry best practices, uphold regulatory standards, and mitigate risks effectively. Additionally, the Board of Directors, supported by various committees, oversees corporate governance matters, ensuring that SCIB continues to operate with integrity, respect for ethical values, and a commitment to fostering trust with all stakeholders.

In our dedication to community engagement, SCIB has established partnerships with educational institutions in Malaysia to initiate internship and protege programs. Our involvement in various educational initiatives, collaborations with institutions, and alignment with government programs underscores our commitment to nurturing talent and fostering skill development within the construction industry.

ACKNOWLEDGEMENT

We are thrilled to welcome our newly appointed board members, whose diverse expertise and experiences align seamlessly with SCIB’s strategic and governance goals.

Mr. Chiew Jong Wei was appointed as our Executive Director in December 2023, alongside YBhg. Dato Tan Bok Koon, as our new Independent Non-Executive Director. Mr. Yak Boon Tiong also joined us in February 2024 as the Independent Non-Executive Director. Together, they bring a wealth of knowledge across multiple fields, and their insights are poised to elevate corporate governance and enhance stakeholder engagement.

Their collective strengths provide a solid foundation for SCIB’s future growth in both governance and strategy. We are excited to embrace this new chapter and look forward to the invaluable contributions each member will bring to the SCIB family in the years ahead.

YBhg. Dato' Sri Zaini Bin Jass

Independent Non-Executive Chairman

Sarawak Consolidated Industries Berhad

14 October 2024

CEO'S STATEMENT

INTRODUCTION

Dear Esteemed Shareholders and Stakeholders,

This year has been marked by significant achievements and challenges, offering invaluable insights for our future. I am deeply moved by the tenacity, resilience, and commitment shown by our team, enabling us to secure new contracts and deliver on existing commitments with precision. Despite economic uncertainties, our adaptability has maintained our competitive edge. We have also advanced our sustainability initiatives, aligning with ESG principles to create long-term value. With the government's substantial infrastructure investments, we are well-positioned for continued growth. My heartfelt gratitude goes to our Board, shareholders, and the SCIB community for their unwavering support.



INSIGHT INTO THE MANUFACTURING AND CONSTRUCTION SECTOR

The recent framework of the Madani Economy, introduced by the unity government, underscores a substantial investment to bolster the national economy. With RM393.8 billion allocated for Budget 2024, this initiative aims to accelerate the business sector while achieving a balance of fiscal support and prudent spending despite current global challenges. Of this budget, RM303.8 billion, or 77.1%, is dedicated to operating expenditure, while the remaining RM90.0 billion is earmarked for development expenditure, along with RM2 billion in contingency savings.

Prime Minister Datuk Seri Anwar Ibrahim has highlighted several key infrastructure projects poised to drive the construction and manufacturing sectors forward. 13 contractors has been appointed for 19 work packages for the Pan Borneo Sabah Phase 1B project, covering 370 KM at a cost of RM14.0 billion.¹ Additionally, the Sarawak-Sabah Link Road Phase 2, spanning over 320 kilometres with an investment of nearly RM7.4 billion, with anticipated completion within three (3) to five (5) years.² The North-South Highway ("PLUS") widening project, extending from Sedenak to Simpang Renggam, is set to cost RM931 million, addressing the increasing vehicular traffic. Moreover, the government has agreed

to resume the construction of five previously cancelled LRT3 stations, amounting to RM4.7 billion, enhancing urban connectivity.³

These initiatives align seamlessly with SCIB's strategy. We are poised to capitalise on the RM90.0 billion development expenditure in the revised Budget 2024, enhancing our capabilities in EPCC contracts and our extensive building materials portfolio. Our focus on short-to-mid-sized projects remains steadfast, with plans to augment our manufacturing facilities in Sarawak to meet the anticipated demands of these new projects.

The construction sector has shown robust performance, with the value of work done recording a double-digit growth of 14.2% amounting to RM36.8 billion in Q1 2024, driven by expansions in civil engineering (24.7%), specialised trade activities (11.8%), and residential buildings (11.5%).⁴ The sector is on an upward trajectory, with a predicted 3.0% growth in tender prices for 2024, influenced by project variability, procurement strategies, and currency fluctuations. A compound annual growth rate ("CAGR") of 8.55% is forecasted, aiming for USD58.10 billion by 2029.⁵

¹ <https://theedgemalaysia.com/node/729135>

² <https://dayakdaily.com/federal-govt-allocates-rm7-2-bln-for-sarawak-sabah-link-road-phase-2-project/>

³ <https://www.mof.gov.my/portal/en/news/press-citations/budget-2024-strengthen-national-economy-accelerate-business-sector>

⁴ [https://www.mof.gov.my/portal/en/news/press-release/economic-growth-surpasses-expectations-in-first-quarter#:~:text=Construction's%20value%20of%20work%20done,and%20residential%20buildings%20\(11.5%25\).](https://www.mof.gov.my/portal/en/news/press-release/economic-growth-surpasses-expectations-in-first-quarter#:~:text=Construction's%20value%20of%20work%20done,and%20residential%20buildings%20(11.5%25).)

⁵ <https://www.cidb.gov.my/eng/malaysias-construction-tender-prices-to-rise-3-in-2024/>

CEO'S STATEMENT

(CONT'D)

In the materials market, the unit price index of steel and cement has remained stable for most areas in Peninsular Malaysia, Sabah, and Sarawak as of March 2024. The average price per unit of steel saw a slight increase of 0.1% from RM3,679.54 per tonne in February 2024 to RM3,683.51 per tonne in March 2024, while the price of cement recorded a marginal increase of 0.2%, with an average price of RM23.01 per 50 kg bag in March 2024 compared to RM22.97 per 50 kg bag in February 2024.⁶ Despite slight fluctuations in specific regions, the overall stability in material prices aids in our planning and cost management.

SCIB remains a frontrunner in precast concrete and Industrialised Building System (“IBS”) manufacturing in East Malaysia. Our trio of factories, along with a wharf facility, have the capacity to supply 500,000 tonnes of building materials annually, positioning us strategically for projects across Borneo. This capability allows us to undertake larger, more complex projects with increased efficiency.

FYE2024 PERFORMANCE

SCIB demonstrated strong performance throughout FYE2024 by securing significant contracts, expanding its project portfolio, and making strategic financial moves that further solidified its presence in the construction sector.

On a financial note, SCIB reported a revenue of RM166.6 million for the Financial Year Ended 2024, with a significant gross profit and PAT of RM35.4 million and RM4.8 million respectively in FYE2024. This upward trajectory in revenue and profitability is driven by strong sales of foundation piles, IBS products and recognition of EPCC work done. Our proactive approach in securing small-to-mid-sized construction contracts, coupled with the growth in Sarawak’s construction sector augurs well for SCIB.

Recently on 4 July 2023, the group further strengthened its presence in the construction sector by securing an EPCC contract worth RM8.3 million from Mindagang Resources Sdn. Bhd. Prior to that, in December last year, SCIB was awarded a RM16.8 million contract by S & I Urban Designers Sdn. Bhd. for EPCC works. These contracts reflect SCIB’s continued ability to secure high-value projects, reinforcing its growth and leadership in the industry.

In addition, the acceptance of a Revised Letter of Award (“RLOA”) from AUEI Teras Holding Sdn. Bhd. for the PR1MA housing project, valued at RM162.4 million, further strengthens SCIB’s position in the construction sector. These actions, along with the securing of significant new contracts, highlight SCIB’s balanced approach to growth—driving forward with high-value projects while maintaining sound financial management for long-term success.

During the financial year under review, SCIB’s wholly owned subsidiary company, SCIB Properties Sdn. Bhd. (“SCIBP”) has entered into a Settlement cum Appointment of Contractor agreement with Awana JV Suria Saga Sdn. Bhd. (“AWANA”) to appoint SCIBP as the exclusive Main Contractor for the construction of an Engineering, Procurement, Construction and Commissioning (“EPCC”) contract which not only resolves previous contractual and financial disagreements but also positions SCIBP as the exclusive Main Contractor for the Cadangan Skim Perumahan Projek Penjawat Awam (“PPAM Muallim”) project. Following this, SCIBP accepted a revised Letter of award from AWANA with a contract value worth RM162.0 million. These strategic moves and financial manoeuvres reflect SCIB’s commitment to resilience, adaptability, and growth, ensuring we are well-positioned to seize opportunities and overcome challenges in the dynamic construction and manufacturing sectors.

In addition to securing new projects, SCIB took steps to manage risks by terminating certain contracts and partnerships. The EPCC contract for Universiti Malaysia Kelantan with Landasan Kapital (M) Sdn. Bhd. and a RM16.3 million project with Satria Kasturi (M) Sdn. Bhd. for Pembangunan Stesen Pemindahan Sisa Pepejal in Johor were mutually terminated, unconditionally releases both parties from all claims. Furthermore, we ended the MOU with Kemena City Development Sdn. Bhd. and Smart Borneo Properties Sdn. Bhd. for a joint venture in Bintulu, as well as an MOU with PT MRT Jakarta (Perseroda) for potential developments in Jakarta due to political uncertainties following Indonesia’s recent election. These decisions highlight SCIB’s proactive approach to risk management and its dedication to safeguarding financial stability.

To further strengthen our financial standing, SCIB secured Islamic banking facilities of RM34.0 million from Small Medium Enterprise Development Bank Malaysia Berhad (“SME Bank”) on 29 September 2023. This was followed by the acceptance of additional Islamic banking facilities amounting to RM70.0 million from SME Bank on 18 July 2024, which will support ongoing projects and future growth initiatives.

⁶ <https://www.thestar.com.my/business/business-news/2024/04/04/steel-cement-month-on-month-prices-remain-unchanged-in-march---dosm>

CEO'S STATEMENT

(CONT'D)



Moreover, to further enhance our financial standing, we proposed the capitalisation of approximately RM11.3 million in debt owed to Goh Hardware & Construction Sdn. Bhd. via the issuance of 18.5 million new shares at RM0.6110 per share. This proposal, along with the establishment and implementation of a long-term incentive plan of up to 15.0% of the Company's total number of issued shares, received approval from shareholders at our Extraordinary General Meeting ("EGM") on 27 March 2024.

This year, we also conducted a Land and Buildings revaluation exercise by independent professional valuers, Rahim & Co International Sdn. Bhd. and VPC Alliance (Sarawak) Sdn. Bhd., which resulted in a revaluation surplus of RM69.2 million and a deferred tax of RM16.8 million. This revaluation underscores SCIB's strong asset base and enhances its financial stability.

In our commitment to transparency and accountability to shareholders, we want to report that the Public Reprimand issued by Bursa Malaysia Securities Berhad ("Bursa Securities") against the Company and two former directors has been resolved. This matter is unrelated to the company's current business and future prospects, allowing us to focus on delivering continued growth and value to our stakeholders going forward.

Our strategic decisions, along with our ability to secure high-value projects, effective risk management, and strengthened financial position, demonstrate the company's resilience and commitment to long-term growth.

BUSINESS SUSTAINABILITY

SCIB remains committed to enhancing life quality through responsible business practices, recognizing the critical role we play in society. Our vision to be 'a beacon of excellence' and our mission drive us to continually innovate, aiming to improve the well-being of the wider community.

Our sustainability initiatives are designed to leave a lasting positive impact. Acknowledging the significant effects of climate change, we are actively integrating sustainable practices into our operations. One of our key programs is the Environmental Quality Monitoring Programme, which ensures that all our factories and construction sites adhere to stringent SOPs. We are also phasing out diesel-powered machinery and vehicles in favour of energy-efficient technologies such as LED lighting. Additionally, SCIB has started actively tracking our carbon emissions, enabling us to monitor and reduce our Scope 1 and Scope 2 emissions. As part of this commitment, we have set emission reduction targets and are working toward achieving carbon neutrality in the long term. This year, we recorded 717.40 tCO₂e in Scope 1 and 1,064.05 tCO₂e in Scope 2 emissions, reflecting our continuous efforts in energy management and sustainable operations. Through these initiatives, SCIB demonstrates its dedication to minimising environmental impact while contributing positively to global climate goals.

CEO'S STATEMENT

(CONT'D)



Furthermore, SCIB, through its joint venture with MyArch, is introducing cutting-edge infrastructure solutions to Sarawak. Combining our extensive expertise in precast concrete manufacturing with MyArch's advanced technologies, the collaboration offers innovative systems such as the Bebo Arch, LS Girder, and MyArch Culvert. These solutions are designed to meet Sarawak's unique infrastructure demands with cost-effective, sustainable, and high-performance bridge and drainage systems. As part of our collaboration, we are committed to enhancing local projects by leveraging our production capabilities and MyArch's technology, setting new standards for eco-friendly and efficient infrastructure development.

Our recent acquisition of five industrial leasehold plots in Demak Laut Industrial Park, Kuching, for RM21.6 million, will further increase our capacity to produce concrete-related products such as Spun Piles, Spun Pipes, and Reinforced Concrete products. This expansion not only enhances our production capabilities but also underscores our commitment to sustainable growth and innovation. We believe that this will boost our production capabilities by nearly 30% and better position us to meet the growing demand for concrete-related products in Sarawak's Rapid Development. We are anticipating the new factory to be completed by the end of 2025.

Besides, in recognising Bintulu's growth potential, we had on 18 September 2024, acquired parcel of land located at Bintulu Sibiu Road, Bintulu, Sarawak, measuring 2.49 hectares, for a total purchase consideration of RM9.2 million. The purpose of this acquisition is to expand SCIB Group's business operations by collaborating with developers to jointly develop and construct residential housing projects using our own manufactured products. This acquisition is expected to enhance SCIB's ability to offer innovative construction solutions and expand its influence in the Sarawak region.

Through these efforts, SCIB continues to champion sustainability, ensuring that our business practices contribute to the long-term well-being of our environment and society. The Company continues to expand its footprint in Sarawak and beyond. SCIB is confident in its ability to drive sustainable growth, create long-term value for its stakeholders, and contribute meaningfully to the local economy.

ACKNOWLEDGEMENT

Reflecting on FYE2024, it stands out as a remarkable year characterised by prudent financial management, meticulous risk oversight, strategic expansion, and the collective efforts of the entire SCIB team. As we embark on a new fiscal journey, I extend my deepest gratitude to our dedicated team, valued stakeholders, and esteemed shareholders – the pillars supporting SCIB's continued success.

Mr. Ku Chong Hong

Group Managing Director / Chief Executive Officer
Sarawak Consolidated Industries Berhad
14 October 2024

CORPORATE BACKGROUND



Sarawak Consolidated Industries Berhad (“SCIB”) was founded in 1975 and has evolved into a reputable Group of Companies listed on the Main Market of Bursa Malaysia Securities Berhad. Over the years, SCIB has become a leading infrastructure expert in reshaping sustainable development as well as becoming an all-rounded building specialist adept in engineering, manufacturing, construction and commissioning (“EMCC”) projects.

SCIB is well-known for its professional management and long history of innovative ideas and technological advancements. With more than three decades of experience and research, SCIB provides its clients with in-depth expertise through a combination of technology, efficiency, and speed. Originating from a manufacturing base, SCIB has diversified and expanded into construction and is strengthening its construction arm by actively seeking EMCC jobs.

The Company is the leading precast concrete and Industrialised Building System (“IBS”) manufacturer in East Malaysia, with three integrated factories based in Sarawak – one factory in Pending Industrial Estate and two factories in Demak Laut Industrial Park. Amongst the concrete products manufactured for use in the construction and infrastructure sectors are pre-stressed spun piles, reinforced concrete square piles, spun concrete pipes, reinforced concrete box culverts, pre-stressed beams, concrete roofing tiles and prefabricated elements or IBS components such as hollow core slabs, wall panels, columns and beams.

SCIB is also a holder of a G7 Contractor License certified by Construction Industry Development Board (“CIDB”). With its commitment to quality, SCIB was also awarded the QAS ISO9001:2015 Quality Documentation System as well as product certification by SIRIM.

In 2005, SCIB entered into an agreement with Elematic Oy Ab, a company from Finland, for an IBS technology and product design transfer. Through

Elematic’s market leadership and international presence, SCIB offers customers the benefits of having the latest advancements in IBS, unique possibilities in design and engineering capabilities.

Since 2021, SCIB has introduced a lightweight system for IBS product offerings, using materials with lower embodied energy and resource needs, resulting in energy-efficient structures with reduced carbon footprints. In 2024, SCIB commissioned a new batching plant for the precast concrete production line in Lawas, Sarawak, strategically positioned to support regional development and expand access to the Northern Sarawak and Sabah markets with logistical cost advantages.

SCIB is also expanding its manufacturing capabilities, having accepted offers from the state for 22 acres of land in Demak Laut Industrial Park, near Kuching City. This strategic expansion is expected to boost SCIB’s production capabilities by nearly 30%, with construction anticipated to begin in the second quarter of 2024 and completion expected by the end of 2025. This move underscores SCIB’s commitment to long-term growth and profitability. The company expects this expansion to contribute positively to earnings from year 2026 onwards, enhancing shareholder value and meeting future market demands.

Rapid development is essential for SCIB’s growth strategy. By expanding its manufacturing capacity, SCIB aims to meet increasing market demands promptly, optimise operations, and sustain its competitive advantage. This demonstrates SCIB’s commitment to long-term profitability and shareholder value.

SCIB will continue to diversify its geographical reach and widen its market to Peninsular Malaysia, Asia, with engineering, procurement, construction and commissioning (“EPCC”) contracts awarded to us.

CORPORATE BACKGROUND

(CONT'D)



VISION & MISSION



VISION

To be a company founded on excellence

MISSION

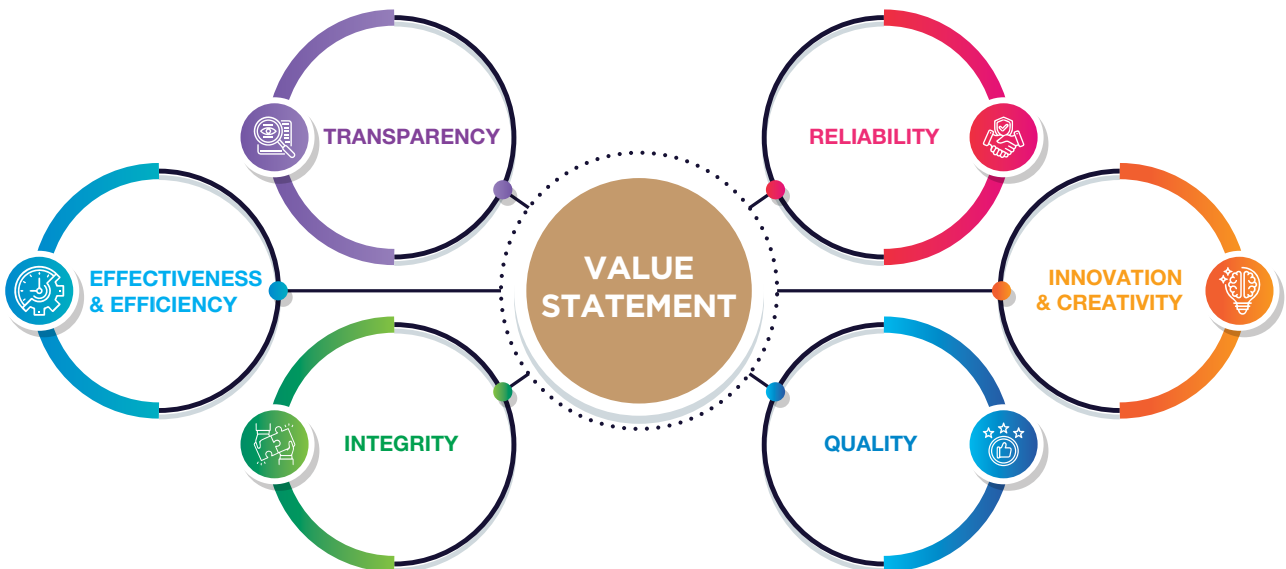
We are dedicated to the creation and demonstration of a concept of linked prosperity. Our mission consists of three (3) interrelated parts;

- Economic Mission: To operate the Company on sound management principles for growth and increasing values for our shareholders and creating career opportunities and financial rewards for our employees;
- Production Mission: To make, distribute and sell the finest quality products in innovative and creative way while optimizing the utilization of resources; and
- Special Mission: To operate the Company in a way that actively recognizes the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of a broad community.

Underlying the mission is the determination to seek new and creative ways to achieve all three parts.

VALUE STATEMENT

In between the pursuit of our vision and completing our missions, we have a set of values we live by. These values represent the company's dedication in providing the best products and services whilst steadily maintaining prolonged growth.



SCIB GROWTH STORY



CORPORATE INFORMATION

BOARD OF DIRECTORS

YBhg. Dato' Sri Zaini Bin Jass
(Independent Non-Executive Chairman)

Mr. Ku Chong Hong
(Group Managing Director / Chief Executive Officer)

Mr. Chiew Jong Wei
(Executive Director / Chief Financial Officer)

Sr. Mohd Nazri Bin Mat Noor
(Independent Non-Executive Director)

YBhg. Dato' Tan Bok Koon
(Independent Non-Executive Director)

Mr. Liaw Way Gian
(Independent Non-Executive Director)

Mr. Kang Wei Luen
(Independent Non-Executive Director)

Dr. Dang Nguk Ling
(Independent Non-Executive Director)

Mr. Yak Boon Tiong
(Independent Non-Executive Director)

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

Mr. Ku Chong Hong

EXECUTIVE DIRECTOR / CHIEF FINANCIAL OFFICER

Mr. Chiew Jong Wei

COMPANY SECRETARY

Mr. Tan Tong Lang (MAICSA7045482)
(SSM Practicing Certificate No. 202208000250)

Ms. Thien Lee Mee (LS0010621)
(SSM Practicing Certificate No. 201908002254)

REGISTERED OFFICE

Lot 1258, Jalan Utama, Pending Industrial Estate
93450 Kuching, Sarawak
Tel : 082-334 485
Fax : 082-334 484
Email : scib@scib.com.my

AUDITORS

Kreston John & Gan (AF 0113)
Chartered Accountants

Unit B-10-8, Megan Avenue II,
Jalan Yap Kwan Seng,
50450 Kuala Lumpur.
Tel : +60(3) 2381 2828
Fax : NA

INVESTOR RELATION

Email : scib.ir@scib.com.my
Tel : 082-334 485
Fax : 082-334 484

Swan Consultancy
Email : s.wan@swanconsultancy.biz
kj.gan@swanconsultancy.biz

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad
Stock Name : SCIB
Stock Code : 9237
Sector : Industrial Products and Services

SHARE REGISTRAR

Aldpro Corporate Services Sdn. Bhd.
(Registration No. 202101043817 (1444117-M))
B-21-1, Level 21, Tower B, Northpoint Mid Valley City,
No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur.
Tel : +60(3) 9770 2200
Fax : +60(3) 9770 2239
Email : admin@aldpro.com.my

PRINCIPAL BANKERS

RHB Bank Berhad
RHB Islamic Bank Berhad
Small Medium Enterprise Development Bank Malaysia Berhad
Malayan Banking Berhad
AmBank (M) Berhad
AmIslamic Bank Berhad

WEBSITE

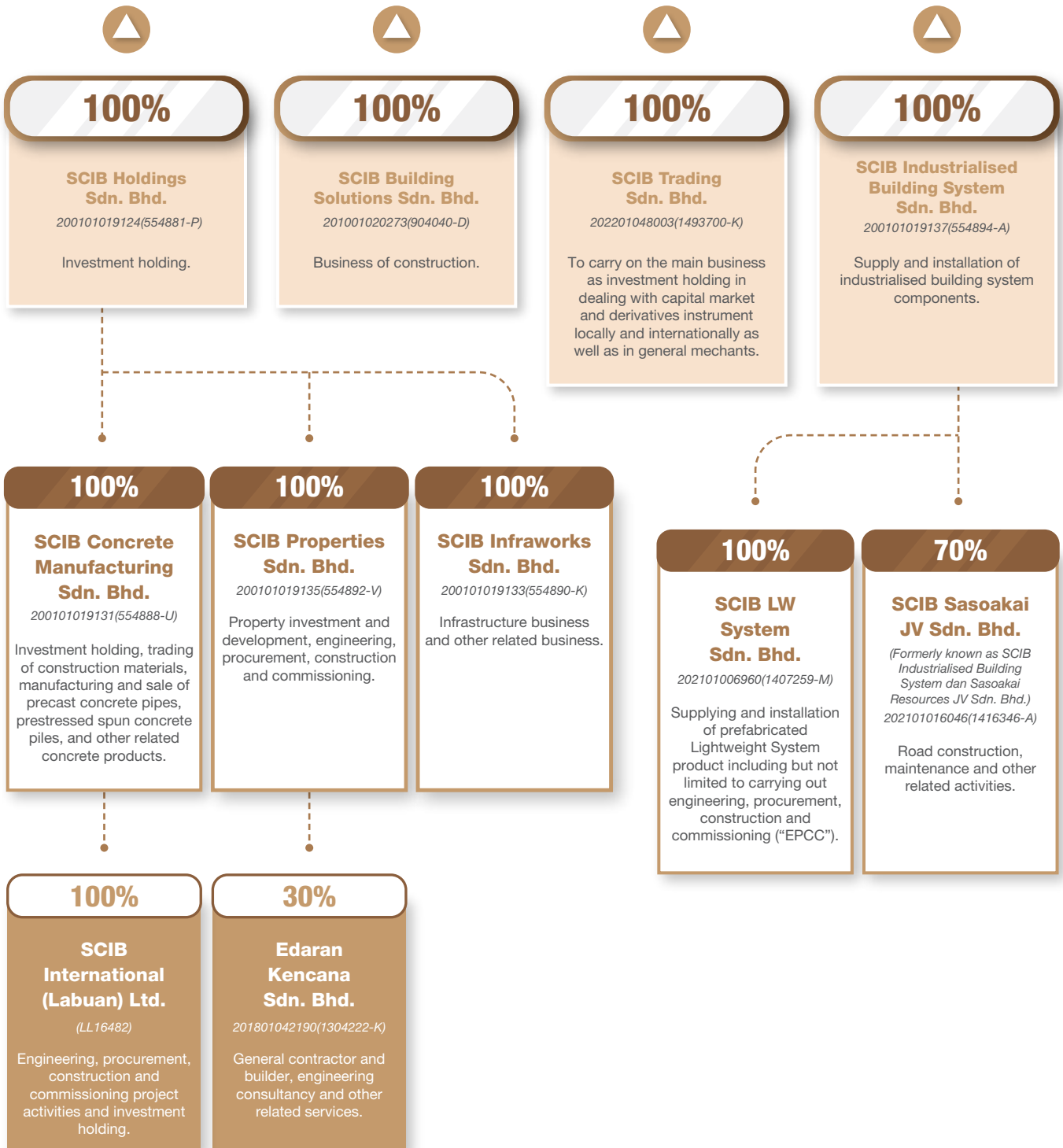
www.scib.com.my

CORPORATE STRUCTURE



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No. 197501003884 (25583-W)



BOARD OF DIRECTORS

**MR. KU
CHONG
HONG**

Group Managing Director/
Chief Executive Officer



**YBHG. DATO' SRI ZAINI
BIN JASS**

Independent Non-Executive Chairman



**MR. CHIEW
JONG
WEI**

Executive Director/
Chief Financial Officer



BOARD OF DIRECTORS

(CONT'D)



DIRECTORS' PROFILE



YBHG. DATO' SRI ZAINI BIN JASS

Independent Non-Executive Chairman

Malaysian

Male

61

ACADEMIC/PROFESSIONAL QUALIFICATIONS

YBhg. Dato' Sri Zaini ("Dato' Sri Zaini") graduated with a Masters in Management Science from Northern University of Malaysia ("UUM") and a Professional Qualification in Management Science from the Institute of National Public Administration ("INTAN"). Dato' Sri Zaini also obtained a Degree in Social Science from the Science University of Malaysia ("USM") and he holds an additional qualification, a Diploma in Occupational Safety and Health from the National University of Malaysia ("UKM").

WORKING EXPERIENCE AND OCCUPATION

Dato' Sri Zaini has nearly four decades of experience in the Royal Malaysia Police, starting his career in 1984 and retiring in 2023. Throughout his extensive service, he held various key positions, including roles in operations, administration, strategic planning, security and security intelligence, and investigating crime and commercial crime cases. His career highlights include the Pesuruhjaya Polis Sabah and Pengarah Pengurusan Polis Diraja Malaysia Bukit Aman.

Over his 39 years of service, he has been a pillar of leadership and a dedicated public servant within the Royal Malaysia Police. The last position he held before his retirement was Pengarah Pengurusan Polis Diraja Malaysia Bukit Aman.

Currently, he is an Independent Non-Executive Director of Globetronics Technology Berhad.

Dato' Sri Zaini has no shareholdings in the Company and subsidiaries of the Company.

Date of Appointment as Independent Non-Executive Chairman:

- 11 December 2023

Board Meeting Attendance from July 2023 to June 2024:

- 2/2

Board Committees Membership:

- Nil

Directorship in Other Public Companies and Listed Issuers:

- Globetronics Technology Berhad

DIRECTORS' PROFILE

(CONT'D)



MR. KU CHONG HONG

Group Managing Director / Chief Executive Officer

Malaysian

Male

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ACADEMIC/PROFESSIONAL QUALIFICATIONS

Mr. Ku graduated with a Bachelor of Accounting (Hons) from Multimedia University and is a Malaysian Institute of Accountants member.

WORKING EXPERIENCE AND OCCUPATION

Mr. Ku began his career in auditing with several audit firms before joining Grant Thornton Malaysia as an Audit Senior Manager in 2017. Throughout his career as an auditor for more than nine years, he gained vast exposure in audit and assurance and business advisory-related fields through his portfolios of various local and international companies involved in a broad spectrum of industries such as property development, construction, manufacturing, trading, poultry, agriculture, aquaculture, service provider, trading of software and real estate.

During his tenure at Bintai Group, Mr. Ku was tasked with overseeing the financial and accounting functions, which encompassed activities such as budgeting, cash flow management, financial projections, and internal control policies.

Currently, he is the director of SCIB's subsidiary companies.

He is also an Executive Director/Chief Financial Officer of Globetronics Technology Berhad and an Independent Non-Executive Director of APB Resources Berhad.

His interests in the Company have been outlined on page 237 of this Annual Report.

Date of Appointment as Independent Non-Executive Director:

- 17 March 2022

Date of Redesignation as Executive Director:

- 15 September 2022

Date of Redesignation as Group Managing Director/Chief Executive Officer:

- 28 June 2023

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

- Investment Committee (Member)
- Long Term Incentive Plan Committee (Member)

Directorship in Other Public Companies and Listed Issuers:

- Globetronics Technology Berhad
- APB Resources Berhad

DIRECTORS' PROFILE

(CONT'D)



MR. CHIEW JONG WEI

Executive Director/Chief Financial Officer

Malaysian

Male

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ACADEMIC/PROFESSIONAL QUALIFICATIONS

Mr. Chiew is a Member of the Malaysian Institute of Accountants ("MIA") and Fellow Member of The Chartered Association of Certified Accountants ("FCCA").

WORKING EXPERIENCE AND OCCUPATION

Mr. Chiew brings a wealth of expertise to the financial landscape. With an impressive track record of over 25 years of professional experience, Mr. Chiew has navigated diverse roles within audit firms and commercial enterprises. Some of the pivotal roles included accountant, financial controller, head of treasury, head of finance and Chief Financial Officer ("CFO").

He currently serves as the Executive Director cum CFO where his responsibilities include amongst others, steering the financial strategy and supporting the operation and management decision-making. He is also the director of SCIB's subsidiary companies.

He also sits on the Board of Globetronics Technology Berhad as an Independent Non-Executive Director.

He has no shareholdings in the Company and subsidiaries of the Company.

Date of Appointment as Executive Director:

- 11 December 2023

Board Meeting Attendance from July 2023 to June 2024:

- 2/2

Board Committees Membership:

- Investment Committee (Member)
- Long Term Incentive Plan Committee (Member)

Directorship in Other Public Companies and Listed Issuers:

- Globetronics Technology Berhad

DIRECTORS' PROFILE

(CONT'D)



SR. MOHD NAZRI BIN MAT NOOR

Independent Non-Executive Director

Malaysian

Male

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ACADEMIC/PROFESSIONAL QUALIFICATIONS

A graduate of the University of New South Wales, Australia, he is a Registered Quantity Surveyor with Lembaga Jurukur Bahan Malaysia and a qualified Chartered Quantity Surveyor from the Royal Institute of Chartered Surveyors ("RICS"), UK.

WORKING EXPERIENCE AND OCCUPATION

Sr. Mohd Nazri Bin Mat Noor ("Sr. Mohd Nazri") is a Registered Quantity Surveyor and currently the principal consultant to a Professional Quantity Surveying Consulting firm ("PQS") registered with the Lembaga Jurukur Bahan Malaysia and the Treasury, Ministry of Finance.

Sr. Mohd Nazri has over 30 years of related professional experience covering Australia, Malaysia, ASEAN, and the Middle East Regions. Starting with a 5-year-old working experience in Australia, he went on to work with a few Multinational companies (Sarawak Shell, Bovis/McLier) and local companies in various capacities and industries. His areas of expertise include contracts and procurement, project and development management, and exposure to the Oil and Gas industry during his 3-year stint with Sarawak Shell Berhad's MLNG-DUA Gas Development Project in Miri/ Bintulu.

Sr. Mohd Nazri previously served as the Chairman of UMKBV, a wholly owned business holding of Universiti Malaysia Kelantan, in which he was a member of the Lembaga Pengarah Universiti ("LPU") for the 2018-2020 period.

Sr. Mohd Nazri has no shareholdings in the Company and subsidiaries of the Company.

Date of Appointment as Independent Non-Executive Director:

- 31 January 2020

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

- Investment Committee (Chairman)

Directorship in Other Public Companies and Listed Issuers:

- Nil

DIRECTORS' PROFILE

(CONT'D)



YBHG. DATO' TAN BOK KOON

Independent Non-Executive Director

Malaysian

Male

46

ACADEMIC/PROFESSIONAL QUALIFICATIONS

YBhg. Dato' Tan holds a Diploma In Business Information Technology from Victoria International College.

WORKING EXPERIENCE AND OCCUPATION

YBhg. Dato' Tan swiftly entered the business world and founded a diversified enterprise, and excelling in various sectors. He established and led a logistics powerhouse, renowned for exceptional solutions and cross-border trade collaborations.

He also invested in and guided a professional interior design and renovation company and demonstrated a commitment to innovative design and construction excellence in the field of architecture.

YBhg. Dato' Tan also took the lead in a multimedia company, capitalizing on cutting-edge technology and creativity to deliver exceptional multimedia solutions and simultaneously further extending his passion to the restaurant industry.

Beyond business success, he is actively engaged in politics and community service, assisting various ethnic groups in problem-solving and achieving their goals for many years. This includes active participation in the political arena, and providing advocacy and leadership for the community.

His interest in the Company has been outlined on page 237 of this Annual Report.

Date of Appointment as Independent Non-Executive Director:

- 11 December 2023

Board Meeting Attendance from July 2023 to June 2024:

- 2/2

Board Committees Membership:

- Nil

Directorship in Other Public Companies and Listed Issuers:

- Nil

DIRECTORS' PROFILE

(CONT'D)



MR. LIAW WAY GIAN

Independent Non-Executive Director

Malaysian

Male

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ACADEMIC/PROFESSIONAL QUALIFICATIONS

Mr. Liaw Way Gian ("Mr. Liaw") holds a degree in Computer Science/ Information Technology from INTI College.

WORKING EXPERIENCE AND OCCUPATION

In 2006, Mr. Liaw started his career as a Solution Analyst in Cusapi Berhad, involved in research and development for the company products. Been involved in the development of a Centralised Call Centre software for clients like Pizza Hut (Philippines), Scoози Pizza (Thailand), Babela Kitchen (China), KFC (Vietnam), and many more. In 2009, he was promoted to a Solution Consultant position, whereby he was responsible for performing presales, requirement gathering, and support to clients from China, Vietnam, Thailand, Philippine and Indonesia.

From March 2011 till 2014, Mr. Liaw further advanced in the F&B solutions industry and he joined Infrasys Malaysia and Agilysys Malaysia as Solutions Consultant, where his responsibilities are to supervise and manage project implementation for clients in Malaysia. Also, to become the key person to handle clients such as Sharing-La Hotel Group, Kampachi Group of Restaurants, OldTown Kopitiam Asia Pacific, Resort World Genting Malaysia, Mandarin Oriental Hotel and, etc.

During his tenure at Raya Global Capital Management Sdn Bhd, Mr. Liaw was tasked with overseeing all the company's core businesses like online e-commerce, trading, etc.

Currently, Mr. Liaw is an Executive Director cum Chief Executive Officer of Artroniq Berhad, an Executive Director of APB Resources Berhad, and also an Executive Chairman of Globetronics Technology Berhad.

Mr. Liaw Way Gian has no shareholdings in the Company and subsidiaries of the Company.

Date of Appointment as Independent Non-Executive Director:

- 28 June 2023

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

- Remuneration & Nomination Committee (Chairman)
- Long Term Incentive Plan Committee (Chairman)

Directorship in Other Public Companies and Listed Issuers:

- APB Resources Berhad
- Artroniq Berhad
- Globetronics Technology Berhad

DIRECTORS' PROFILE

(CONT'D)



MR. KANG WEI LUEN

Independent Non-Executive Director

Malaysian

Male

37

ACADEMIC/PROFESSIONAL QUALIFICATIONS

Mr. Kang holds a Bachelor of Laws with Honours from Multimedia University in Malaysia. In addition, he has achieved the status of a Chartered Islamic Finance Professional ("CIFP"), a credential conferred by the International Centre for Education in Islamic Finance University ("INCEIF"), established by Bank Negara Malaysia. He is also an Associate Member of The Academy of Risk Management Malaysia.

WORKING EXPERIENCE AND OCCUPATION

Mr. Kang had been an Advocate & Solicitor of the High Court of Malaya with more than a decade of experience. His legal acumen encompasses areas such as banking and finance, corporate and commercial law, and civil litigation. He has assisted a diverse range of clients, including government and statutory bodies, privatised entities, corporations, businesses, and private individuals, both locally and internationally.

Currently, Mr. Kang serves as an Executive Director of APB Resources Berhad. He also was an Independent Non-Executive Director of Onetech Solutions Holdings Berhad.

Mr. Kang has no shareholdings in the Company and subsidiaries of the Company.

Date of Appointment as Independent Non-Executive Director:

- 28 June 2023

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

- Audit Committee (Chairman)
- Risk Management Committee (Chairman)
- Remuneration & Nomination Committee (Member)
- Long Term Incentive Plan Committee (Member)

Directorship in Other Public Companies and Listed Issuers:

- APB Resources Berhad
- Onetech Solutions Holdings Berhad

DIRECTORS' PROFILE

(CONT'D)



DR. DANG NGUK LING

Independent Non-Executive Director

Malaysian

Female

37

ACADEMIC/PROFESSIONAL QUALIFICATIONS

Dr. Dang holds a Ph.D. in Algal Biotechnology from the International Medical University, Malaysia, where she was a JPA Scholar. She also obtained a Master's degree in Environmental Toxicology from the same university. She earned her Bachelor's degree with First-Class Honours in Chemistry and Biology from Liverpool John Moores University, United Kingdom. Additionally, she has an Advanced Diploma and a Diploma in Chemistry and Biology from Tunku Abdul Rahman University College, Malaysia.

WORKING EXPERIENCE AND OCCUPATION

Dr. Dang has over a decade of experience in environmental and laboratory science, regulatory affairs, and corporate strategy. At Alpha Laboratories (NZ) Limited in New Zealand, she served as Technical and Regulatory Affairs Officer, where she managed global regulatory compliance for nutraceutical products, ensured adherence to international regulations and facilitated successful introduction to international markets.

At SRAS Berhad, she worked as a Lab Scientist and Indoor Health and Safety Officer, where she also cooperated with the Department of Occupational Safety and Health and assisted industrial clients in navigating regulatory compliance with the Department of Environment. Earlier in her career, as a Graduate Research Assistant at the International Medical University, she conducted heavy metals analysis and contributed to the lab's achievement of ISO 17025 accreditation.

In 2016, Dr. Dang was awarded the Yayasan Penyelidikan Antartika Sultan Mizan Fellowship, where she collaborated with leading scientists at the British Antarctic Survey in Cambridge, United Kingdom, and contributed to ecological and environmental research.

Dr. Dang is currently a Business Strategist for brand development. She combines her scientific expertise with strategic insights to help businesses innovate and achieve sustainable growth.

Currently, Dr. Dang also sits on the Board of APB Resources Berhad as an Independent Non-Executive Director.

Dr. Dang has no shareholdings in the Company and subsidiaries of the Company.

Date of Appointment as Independent Non-Executive Director:

- 28 June 2023

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

- Audit Committee (Member)
- Risk Management Committee (Member)
- Remuneration & Nomination Committee (Member)

Directorship in Other Public Companies and Listed Issuers:

- APB Resources Berhad

DIRECTORS' PROFILE

(CONT'D)



MR. YAK BOON TIONG

Independent Non-Executive Director

Malaysian

Male

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ACADEMIC/PROFESSIONAL QUALIFICATIONS

Mr. Yak holds an Ontario Secondary School Diploma from Taylor's College. He is a fellow of the Association of Chartered Certified Accountants ("ACCA") and a member of the Malaysian Institute of Accountants ("MIA") and Chartered Tax Institute of Malaysia ("CTIM").

WORKING EXPERIENCE AND OCCUPATION

Mr. Yak has held diverse roles in audit, tax, finance, and management over the past two decades. As the Branch Manager at GC PLT since April 2022, he oversees statutory audits and tax compliance for small and Medium Companies, while also managing branch operations and engaging with clients. Concurrently, as a Director at BT & CO since July 2020, he provides strategic oversight in reviewing client financial statements and offers comprehensive accounting and business advisory services to enhance company financial performance, particularly focusing on tax planning for Small and Medium Companies. In his previous positions at Lew Lee & Co., he served as an audit manager, ensuring statutory compliance and efficient branch operations.

Earlier, as tax director at Touch Stone Tax Services Sdn Bhd, he managed income tax submissions and provided valuable tax planning guidance. Prior to his roles in tax and audit, he held significant finance positions at Deutsche Bank (Malaysia) Berhad and RHB Bank Berhad, where he contributed to financial oversight, and analysis.

He has no shareholdings in the Company and subsidiaries of the Company.

Date of Appointment as Independent Non-Executive Director:

- 29 February 2024

Board Meeting Attendance from July 2023 to June 2024:

- 1/1

Board Committees Membership:

- Audit Committee (Member)
- Risk Management Committee (Member)

Directorship in Other Public Companies and Listed Issuers:

- Nil

DIRECTORS' PROFILE

(CONT'D)

Notes:

1. **Family Relationship with Director and/or Major Shareholder**
None of the Directors has any family relationship with any director and/or major shareholder of the Company.
2. **Conflict of interest**
None of the Directors has any conflict of interests with the Company.
3. **Conviction of Offences**
None of the Directors has been convicted of any offences other than traffic offences in the past five (5) years and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year under review.
4. **Directorships**
Save as disclosed above, none of the Directors has other directorship in public companies and listed issuers.
5. **Board Committees Membership**
Details of the Board members' participation in the various Board Committees are set out in the Corporate Governance Overview Statement in this Annual Report.
6. **Directors' Training**
All Directors have attended various in-house or external programmes to enable them to discharge their duties and responsibilities effectively. In addition, all Directors are encouraged to attend seminars, conferences, and various training programmes to keep abreast with the market and economic developments as well as with the new statutory and regulatory requirements.

DIRECTORS' TRAINING IN THE FINANCIAL YEAR FROM JULY 2023 TO JUNE 2024

Name of Directors	Conferences/Seminars/Training Programmes	Date
YBhg. Dato' Sri Zaini Bin Jass	Mandatory Accreditation Programme Part II: Leading For Impact	24 - 25 Jun 2024
Mr. Ku Chong Hong	Mandatory Accreditation Programme Part II: Leading For Impact	4 - 5 Dec 2023
Mr. Chiew Jong Wei	Mandatory Accreditation Programme Part I Mandatory Accreditation Programme Part II: Leading For Impact	25 - 26 Mac 2024 29 - 30 Apr 2024
Sr. Mohd Nazri Bin Mat Noor	Mandatory Accreditation Programme Part II: Leading For Impact	5 - 6 Jun 2024
YBhg. Dato' Tan Bok Koon	Mandatory Accreditation Programme Part I	25 - 26 Mac 2024
Mr. Liaw Way Gian	Joint venture, shareholder agreement and conflict of interest situations	25 Jun 2024
Mr. Kang Wei Luen	Mandatory Accreditation Programme Part II: Leading For Impact	6 - 7 May 2024
Dr. Dang Nguk Ling	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers Mandatory Accreditation Programme Part I Mandatory Accreditation Programme Part II: Leading For Impact	22 Aug 2023 9 - 10 Oct 2023 5 - 6 Jun 2024
Mr. Yak Boon Tiong	Mandatory Accreditation Programme Part I Mandatory Accreditation Programme Part II: Leading For Impact	13 - 14 Mac 2024 29 - 30 Apr 2024

DIRECTORS' PROFILE

(CONT'D)

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial period from July 2023 to June 2024, four (4) Board Meetings were held on 28 August 2023, 29 November 2023, 29 February 2024, 29 May 2024 and two (2) Special Board Meetings were held on 11 October 2023 and 11 December 2023. The attendance of the Directors at the Board Meetings is as follows:

No.	Name of Directors	Board Meeting	Special Board Meeting	Total
1	YBhg. Dato' Sri Zaini Bin Jass (Appointed on 11 December 2023)	2/2	N/A	2/2
2	Mr. Ku Chong Hong	4/4	2/2	6/6
3	Mr. Chiew Jong Wei (Appointed on 11 December 2023)	2/2	N/A	2/2
4	Sr. Mohd Nazri Bin Mat Noor	4/4	2/2	6/6
5	YBhg. Dato' Tan Bok Koon (Appointed on 11 December 2023)	2/2	N/A	2/2
6	Mr. Liaw Way Gian	4/4	2/2	6/6
7	Mr. Kang Wei Luen	4/4	2/2	6/6
8	Dr. Dang Nguk Ling	4/4	2/2	6/6
9	Mr. Yak Boon Tiong (Appointed on 29 February 2024)	1/1	N/A	1/1



KEY MANAGEMENT PROFILE



MR. KU CHONG HONG

Group Managing Director/Chief Executive Officer (“GMD/CEO”)

Malaysian

Male

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Details of Mr. Ku Chong Hong’s profile is set out on page 17, in the Directors’ Profile of this Annual Report.



MR. CHIEW JONG WEI

Executive Director / Chief Financial Officer (“ED/CFO”)

Malaysian

Male

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Details of Mr. Chiew Jong Wei profile is set out on page 18, in the Directors’ Profile of this Annual Report.



MR. CHAI TZE KHANG

Chief Operating Officer (“COO”)

Malaysian

Male

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Mr. Chai joined SCIB in 1997 as a Production Engineer. He was appointed as the General Manager of the Company in 2008 and was promoted to Chief Operating Officer on 14 February 2020. He is tasked to oversee the daily operations of the Group’s manufacturing business.

Mr. Chai graduated with a Bachelor of Science Degree in Industrial Engineering and Management from Oklahoma State University, USA.

With over 25 years of experience in Manufacturing Operations, Sales and Marketing, Mr. Chai has held various positions, including QA Manager and Factory Manager. He played a key role in setting up multiple factory expansions for SCIB. He is also the director of SCIB’s subsidiary companies.

KEY MANAGEMENT PROFILE

(CONT'D)



EN. HERMAN SYAH BIN ABDUL RAHIM

Chief Business Officer ("CBO")

Malaysian

Male

49

En. Herman joined SCIB on 2 January 2024 as the Chief Business Officer of the Group.

He holds a Bachelor's Degree in Accountancy (Hons) from Universiti Utara Malaysia and is a member of the Malaysian Institute of Accountants ("MIA").

En. Herman has more than 25 years of experience in investments, mergers & acquisitions, and business development with a proven track record in strategic development across various sectors, including construction, road maintenance, mining and technology industries.

Currently, he is also a Non-Independent Non-Executive Director of SEERS Berhad.



MS. WONG LI WEN

Head of Corporate Services

Malaysian

Female

41

Ms. Wong Li Wen ("Ms. Wong") joined SCIB on 1 March 2008 as an Accountant and has been the Finance Manager since 2012. She was then appointed as the Company's Chief Financial Officer on 4 April 2016 and re-designated as the Group's Head of Corporate Services on 19 February 2018.

She holds a Master of Science degree in Professional Accountancy from the University of London. Ms. Wong is a Fellow Member of The Chartered Association of Certified Accountants ("FCCA"), and is a member of the Malaysian Institute of Accountants ("MIA").

She has more than 20 years of working experience in an audit firm and in the commercial sector as an Accountant, Company Secretary, Finance Manager, and Chief Financial Officer.

She is a certified and accredited Trainer by Human Resources Development Corporation ("HRD Corp") and has also conducted various internal training sessions within SCIB.



EN. MOHD FAIZ BIN HAFIDZ

General Manager Of Project Management & Procurement

Malaysian

Male

49

En. Faiz joined SCIB on 1 February 2024 as the General Manager of Project Management and procurement for the Group.

He holds a Master of Science in Engineering from Leeds Beckett University and Bachelor of Engineering in Electronic and Electrical Engineering from Leeds Metropolitan University.

En. Faiz has over 23 years of working experience in Project/Construction Management (Planning and Execution) in the oil and gas (on-shore) sector and general industries for Engineering, Procurement, Construction and Commissioning ("EPCC") Projects. He is also the director of SCIB's subsidiary companies.

KEY MANAGEMENT PROFILE

(CONT'D)



EN. MOHD IZWAN BIN MAHADI

Malaysian

Male

36

General Manager Of Business Development

En. Izwan joined SCIB on 1 February 2024 as the General Manager of Business Development of the Group.

He holds a Bachelor of Business Administration (Hons) (in Finance) and a Diploma in Business Studies from the University Technology Mara.

En. Izwan has over 11 years of working experience in business management, venture capital and private equity investment, as well as the construction industry, where he plays instrumental roles in business strategy and development, value creation, project management and financial management.

Notes:

- Family Relationship with the Director and/or Major Shareholder**
 The Group Managing Director/Chief Executive Officer, Executive Director, and none of the Key Management has any family relationship with any director and/or major shareholder of the Company.
- Conflict of interest**
 The Group Managing Director/Chief Executive Officer, Executive Director, and none of the Key Management has any conflict of interest and/or potential conflict of interests with the Company.
- Conviction of Offences**
 The Group Managing Director/Chief Executive Officer, Executive Director, and none of the Key Management has been convicted of any offences other than traffic offences within the past five (5) years, and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year under review.
- Directorships**
 Save as disclosed in the Key Management's Profile of this Annual Report, none of the Key Management has other directorship in public companies.



KEY MANAGEMENT PROFILE

(CONT'D)



OTHER MANAGEMENT TEAM

Ir. Ivonson Kwee

Senior Business Development Manager
Aged 52, Male, Malaysian
Date of appointment: 15 February 2006

Mr. Chan Moh Pin

Financial Controller
Aged 32, Male, Malaysian
Date of appointment: 12 December 2023

En. Wan Muhammad Afeeq Amiri Bin Wan Ali

Head Of Business Development
Aged 34, Male, Malaysian
Date of appointment: 1 February 2024

Ms. Nancy Phang Lee Ping

Account Manager
Aged 48, Female, Malaysian
Date of appointment: 1 September 2014

Mr. Ang Seah Heng

Head Of Procurement
Aged 58, Male, Malaysian
Date of appointment: 2 October 2023

Ir. Ts. Chong Kian Chiang

Manager – Technical & Design
Aged 45, Male, Malaysian
Date of appointment: 25 May 2006

En. Abdul Razi Bin Kassim

Manager – Pending & SPDL Operation
Aged 50, Male, Malaysian
Date of appointment: 23 May 2000

Ms. Tay Pah Cho

Manager – IBS Accounts & Administration
Aged 48, Female, Malaysian
Date of appointment: 5 June 1995

Ms. Juhita Binti Deran

Human Resource & Admin Manager
Aged 51, Female, Malaysian
Date of appointment: 14 October 2024

Mr. Lee Tan Fong

Manager – IBS Operation
Aged 47, Male, Malaysian
Date of appointment: 7 July 2008



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ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS



Sarawak Consolidated Industries Berhad (“SCIB” or “the Group”) is a Kuching-based integrated construction-and-manufacturing Group founded in 1975 as a small enterprise and has since evolved into an entity listed on the Main Market of Bursa Malaysia Securities Berhad.

Our core business is the manufacturing of precast concrete products such as Concrete Spun Pipes, Prestressed Spun Concrete Piles, RC Square Piles, RC Box Culverts, Prestressed Girder Beams, Precast Concrete Industrialised Building System (“IBS”), a construction technique in which components are manufactured in a controlled environment either onsite or offsite, and other related concrete products.

The Group is the leading precast concrete products and IBS manufacturer in East Malaysia certified with Quality Management System ISO9001:2015 by SIRIM QAS and NIOSH. The Group’s brand is well-known among housing developers and contractors in Sarawak as well as other parts of Borneo.

SCIB currently operate three (3) factories in Kuching located in the Pending Industrial Estate and the Demak Laut Industrial Park, with a total production capacity of 500,000 tonnes per year. To further strengthen our production capacity, SCIB has acquired five (5) plots of land at Demak Laut Industrial Park Phase IIB (Stage 2), with a total area of approximately 21.88 acres. This acquisition will enable SCIB to build a new factory and increase its overall production capacity to meet the growing demand driven by Sarawak’s large-scale public infrastructure projects, including Sarawak Second Trunk Road, coastal road and bridges, water and power supply systems, and public facilities such as schools, hospitals, health clinics and other key infrastructure developments.

Building upon our manufacturing base, SCIB has strategically diversified its business segment into the Engineering, Procurement, Construction and Commissioning (“EPCC”), which encompasses a diverse range of services designed to deliver comprehensive project solutions. Our EPCC portfolio includes school construction, road maintenance, residential properties and other infrastructure developments across both East and West Malaysia.

As of 30 September 2024, SCIB is home to 329 employees and contract workers.

OUR VISION

We are a business founded on excellence and dedicated to the creation of prosperity that can be shared with all.

OUR MISSION

- To operate based on sound management principles that grow and create value for our shareholders while creating career opportunities as well as financial rewards for our employees
- To produce and distribute best-in-class products leveraging on our in-house expertise
- To be a good corporate citizen by actively engaging with the community that we operate and work in while recognising the role business plays in society

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

OUR KEY MARKETS

The Group initially focused on supplying its precast concrete and IBS products to Sarawak, where we have established a strong market presence, while also expanding our reach to Sabah. Due to logistical and cost considerations, SCIB's manufacturing segment primarily serves the Borneo region. Over the years, we have supplied our products for several notable projects, including the Pan Borneo Highway, Universiti Malaysia Sarawak ("UNIMAS") Teaching Hospital and Prima Medical Centre, Sarawak's coastal road and bridges, rural water supply projects and power substations.

While for the EPCC segment, the Group operates across Malaysia, with a strategic focus on West Malaysia to capitalise on the region's substantial opportunities in residential, road maintenance and other infrastructure projects. In FYE2024, the Group has secured five (5) contracts, valued at RM349.9 million, bringing the total to ten (10) ongoing construction projects, with an outstanding order book of approximately RM413.96 million as of 30 September 2024.

Building strategic relationships with our clients continues to be a key focus of our business. We strive to go above and beyond the traditional supplier/customer affiliation as part of our plan to extend our reach and presence beyond Sarawak and Malaysia.

OUR STRENGTHS AND OPPORTUNITIES

The Group has an excellent track record as a manufacturer of precast concrete and IBS products while at the same time offering customers technical expertise, professional consultation, and customised solutions. Our record of projects and our brand-recognition, especially in Sarawak, where we are a preferred supplier not just for government but also for the private sector, is a testament to our reliability and quality.

These are our underlying strengths:

- i) The leading spun pile, IBS hollow core and panel walls manufacturer in East Malaysia
- ii) Leading precast concrete pipe manufacturer in East Malaysia
- iii) All factories are certified with Quality Management System ISO 9001: 2015 by SIRIM QAS and NIOSH, ISO45001:2018 (Occupational Health and Safety Management System) and ISO14001:2015 (Environmental Management System)
- iv) An experienced and reliable in-house engineering design team
- v) A wharf facility for shipments across Borneo
- vi) A total solutions provider with a wide product range

While Sarawak continues to be an important market for us, we are actively seeking opportunities across Malaysia and beyond to:

- i) Increase market acceptance and government support of the IBS system
- ii) Increase use of the IBS system as developers and contractors face labour shortages
- iii) Continue roll-out of large infrastructure projects in Sarawak such as the Sarawak Second Trunk Road Project, government buildings, coastal road and bridges, water and power supply, public schools, residential housing projects, hospitals and health clinics
- iv) Specialise in small to mid-sized EPCC projects such as the construction, expansion, maintenance or upgrades of healthcare, educational and utility facilities
- v) Interest in rural infrastructure such as roads as well as housing and logistics infrastructure like ports and airports

OUR BUSINESS STRATEGIES

The Group's manufacturing division will leverage on our expertise in producing high-quality building materials by entering higher value-added projects in the Engineering, Manufacturing, Construction and Commissioning ("EMCC") sector where we can increase the sales of our precast concrete and IBS products. At the same time, our construction division is actively engaged in both West and East Malaysia.

For the future, the Group is busy strengthening its construction capabilities to ensure we are capable of handling more value-added jobs, especially in the EMCC sector. SCIB is also adopting technology to better assist our customers in terms of efficiency and productivity.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

Additionally, to expand our business operations, the Group is actively seeking opportunities to collaborate with developers on the development and construction of residential properties in Bintulu, Sarawak. Through this initiative, we aim to leverage on our own manufactured products, which will enhance the market confidence in our offerings. This approach will introduce our innovative solutions to a broader audience, indirectly raising market awareness about the efficiency and speed that our products bring to housing construction.

KEY FACTS (AS OF 30 SEPTEMBER 2024)



Product with ISO accreditation certification

500,000 tonnes annual capacity




3 integrated factories based in Sarawak

In House design team and value-added consultation & services





RM512.6 million order book balance (construction and manufacturing)

Equipped with the relevant accredited licenses such as Contractor Grade G7 and Sijil Perolehan Kerja Kerajaan ("SPKK") - by Construction Industry Development Board, Sijil Taraf Bumiputra ("STB") and approved supplier of Ministry of Finance ("MOF")




Leading precast concrete & IBS manufacturer in East Malaysia

Wharf facility for shipment across Borneo



MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

COMPANY FINANCIAL REVIEW

Our financial highlights for the past 5 financial years/period

Financial year/period	2019 (12 months) RM'000	2021 [#] (18 months) RM'000	2022 (12 months) RM'000	2023 (12 months) RM'000	2024 (12 months) RM'000
Revenue	86,048	198,964	128,429	132,045	166,624
- Manufacturing	77,511	105,696	85,862	90,583	115,427
- Construction/EPCC/Project Management *	8,902	93,268	41,860	41,097	51,197
- Property Trading	(365)	-	707	365	-
Gross profit	17,297	86,829	16,051	22,003	35,435
- Manufacturing	16,076	21,168	13,735	17,520	29,443
- Construction/EPCC/Project Management *	1,256	65,661	2,247	4,426	5,992
- Property Trading/Others	(35)	-	69	57	-
Profit/(loss) before tax	3,193	5,722	(53,439)	(22,082)	7,685
Profit/(loss) after tax	3,150	(4,209)	(43,757)	(23,642)	4,826
Adjusted EBITDA	6,609	58,031	(25,883)	3,879	16,581
Total assets	116,109	761,860	193,596	188,747	285,348
Current assets	65,719	715,302	137,950	139,484	147,932
Total liabilities	64,108	663,488	98,430	105,224	133,158
Shareholders' equity	52,001	98,372	95,166	83,523	152,190
Current liabilities	44,321	646,542	71,930	82,308	81,805
Loans and borrowings	37,426	44,035	47,387	48,445	57,383
Total no. of shares	85,882,500	490,610,000	582,037,532	640,241,285	658,737,630

Remarks:-

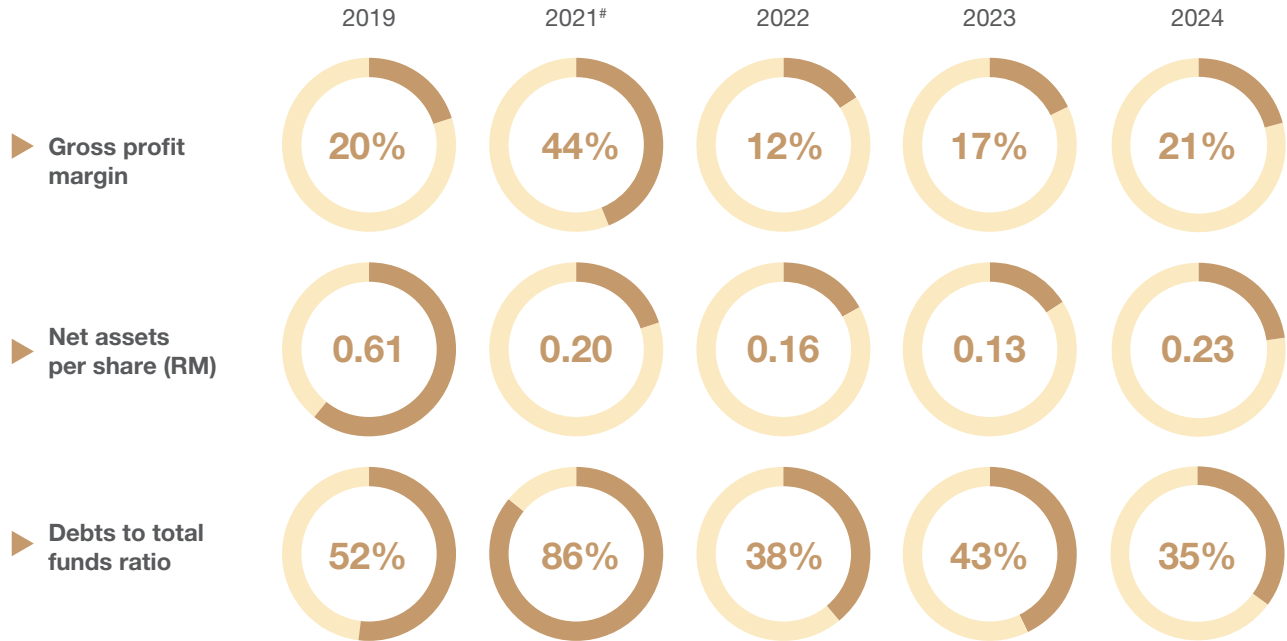
* Construction/EPCC/Project Management segment – involved in the installation of Industrialised Building System components, construction contracts, engineering, procurement, construction and commission ('EPCC') which includes, among others, piping system, process control and instrumentation, equipment installation and other related services. The revenue of this segment is contributed by contracts revenue and project management fee.

This was a cumulative 18-months result due to the change in financial year end from 31 December 2020 to 30 June 2021.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

Financial ratios



The Group's revenue showed an increase of 26.2% at RM166.6 million for FYE2024 as compared to RM132.0 million revenue recorded for FYE2023, with manufacturing division being the largest contributor to the Group's revenue. The Group recorded gross profit ("GP") of RM35.4 million, an increase of RM13.4 million or 60.9% compared with RM22.0 million in FYE2023. The increase of the Group's gross profit is due to increase in Group's sales and productivity.

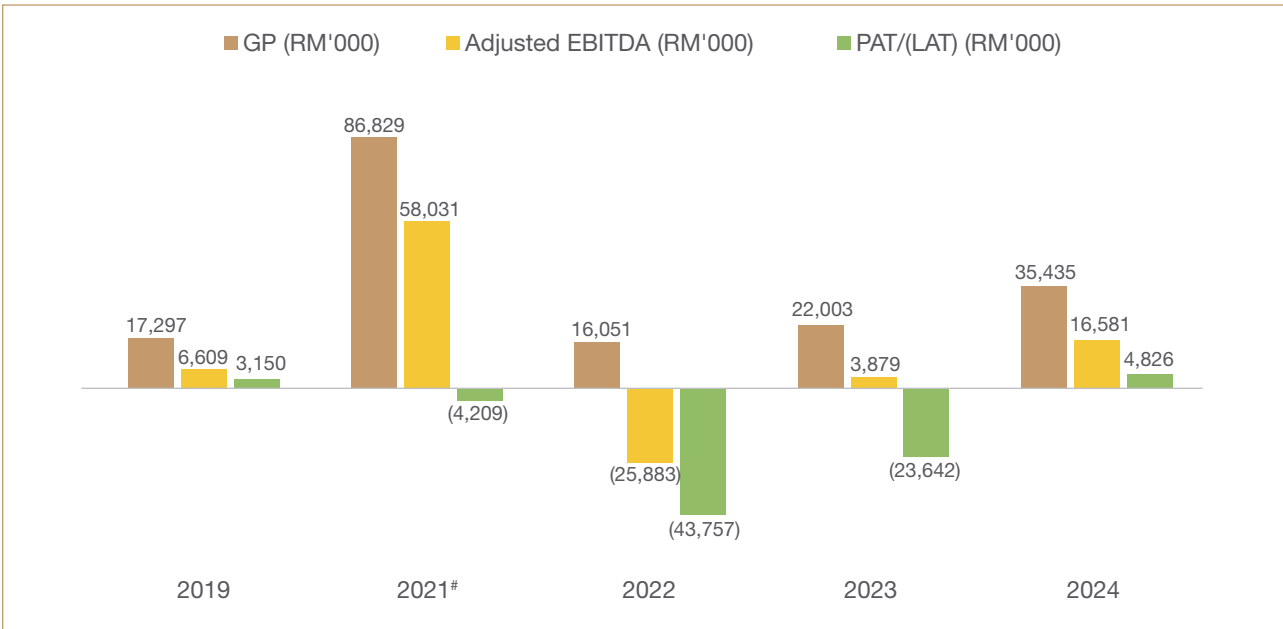
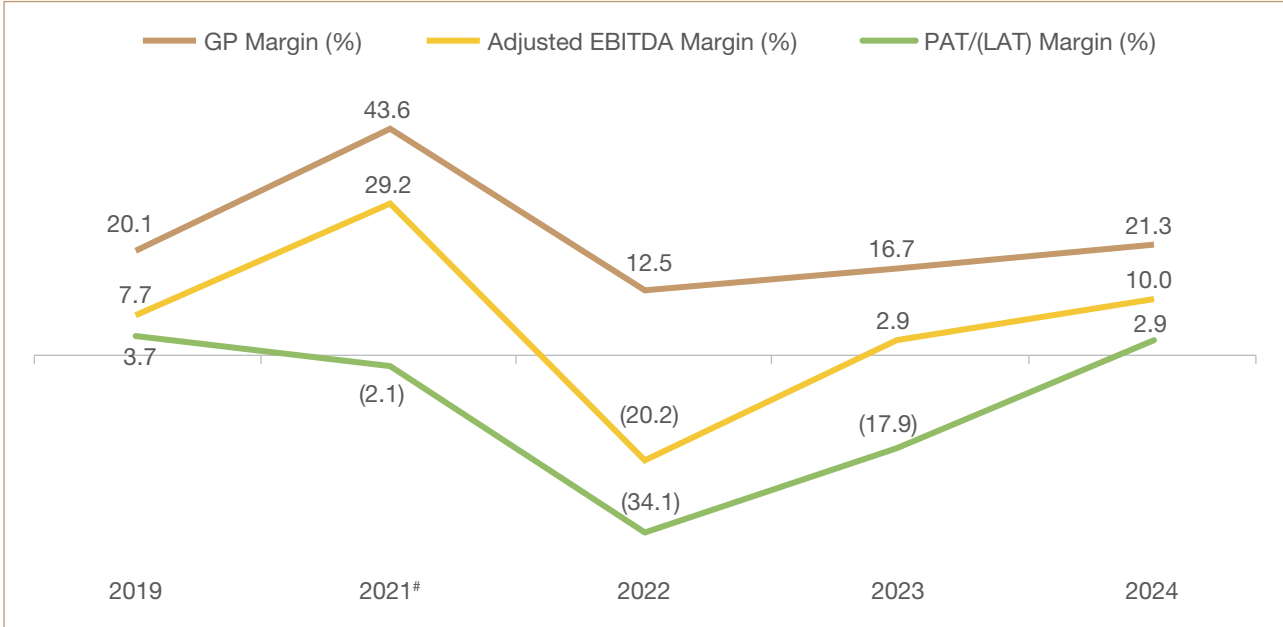
The Group also recorded a profit before tax ("PBT") of RM7.7 million as compared to the loss before tax ("LBT") of RM22.1 million in FYE2023, marking a significant improvement of RM29.8 million. This turnaround was driven by stronger operational performance.

The Group's total assets increased by 51.2% to RM285.3 million as of 30 June 2024 compared with the RM188.7 million recorded in the corresponding financial year of 2023. Our current assets have increased by 6.0% to RM147.9 million as of 30 June 2024 compared with the RM139.5 million recorded in the corresponding financial year of 2023. The Group's total liabilities increased by 26.6% or RM28.0 million which is from RM105.2 million to RM133.2 million. Significant increase in the total assets and total liabilities is due to the acquisition 5 plots of land for the new factory at Demak Laut Industrial Park and revaluation of properties which was conducted in FYE2024. Fixed deposits, cash and bank balances stood at RM35.1 million as of 30 June 2024.

MANAGEMENT DISCUSSION & ANALYSIS

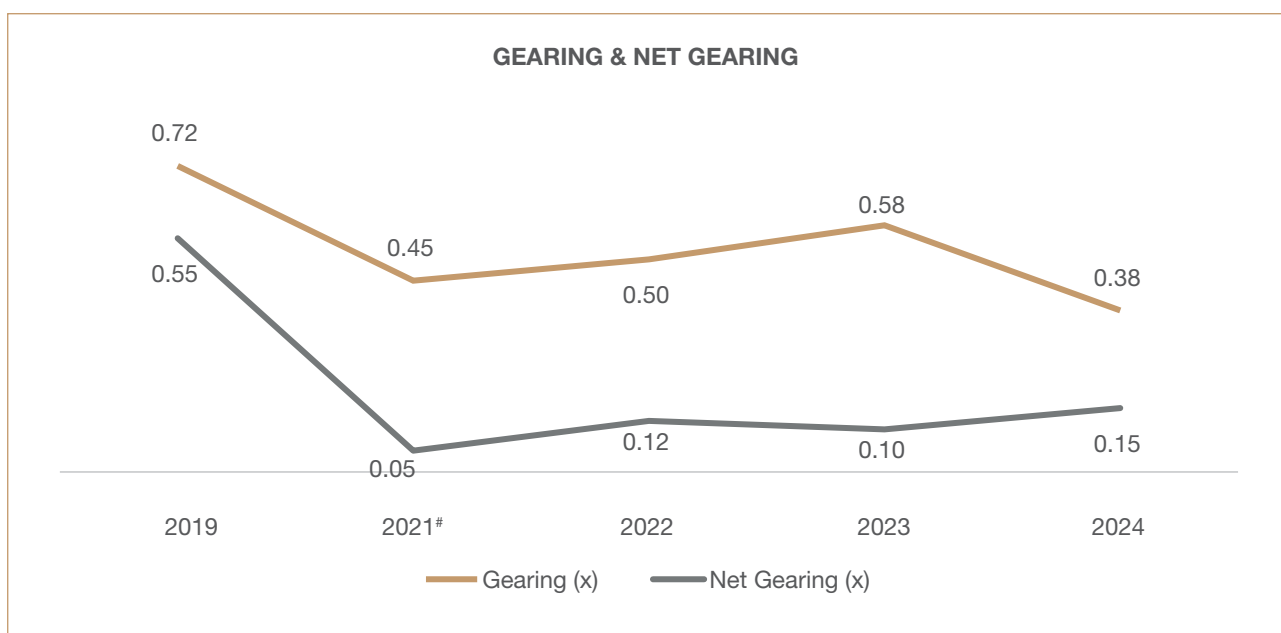
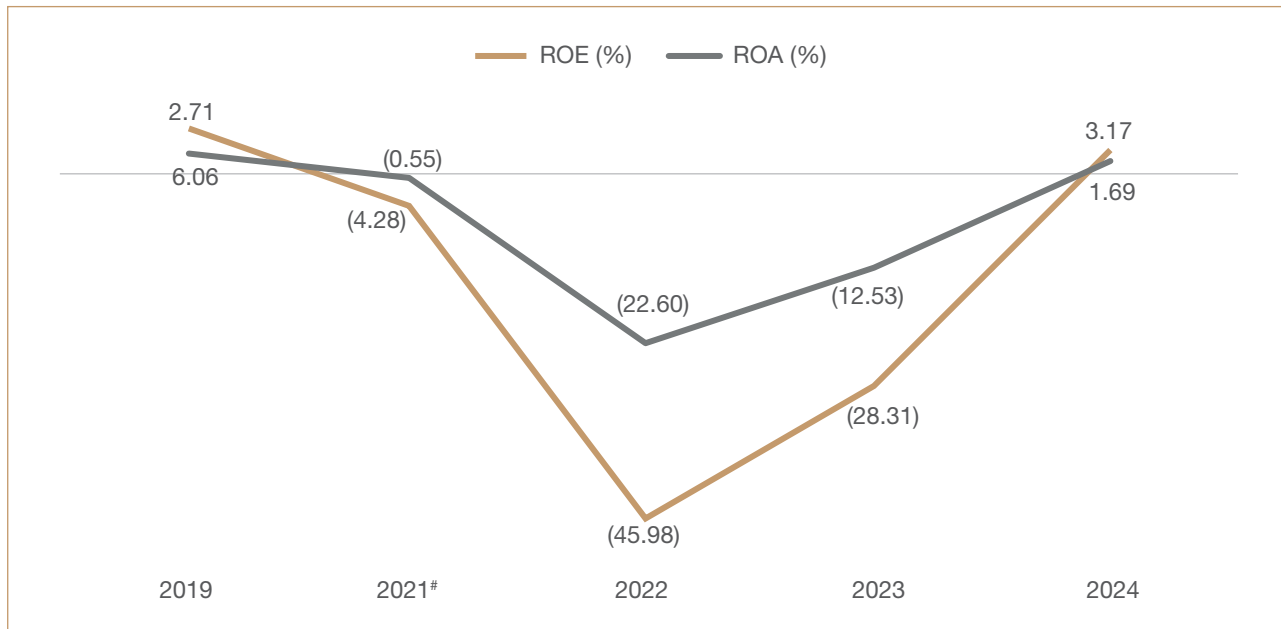
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Profitability & Margins



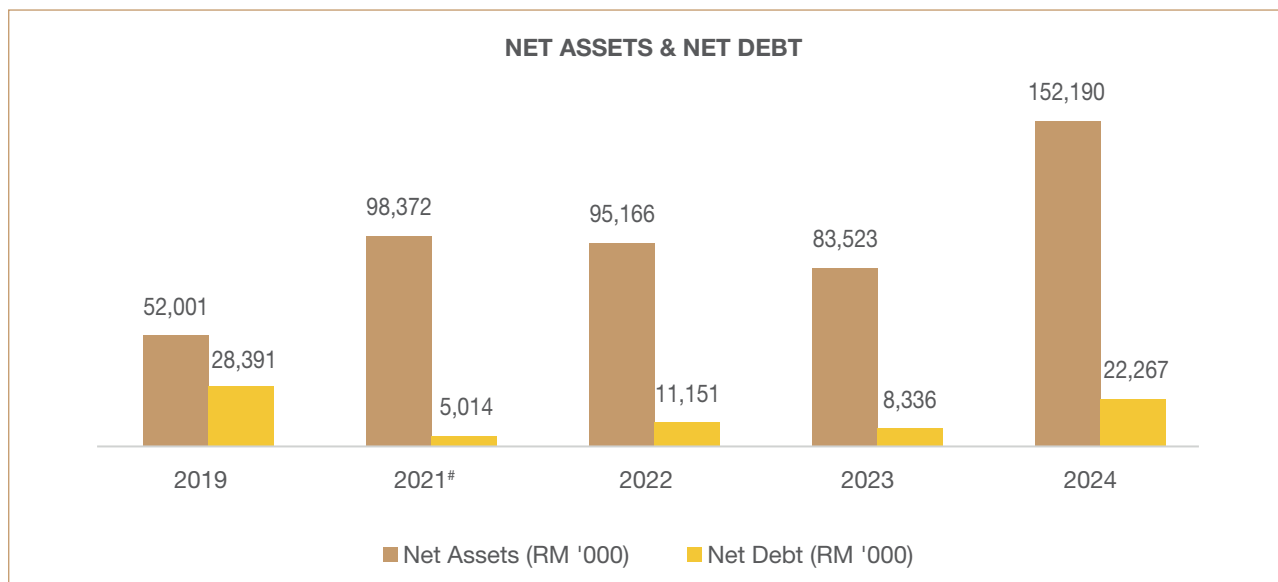
MANAGEMENT DISCUSSION & ANALYSIS

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MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

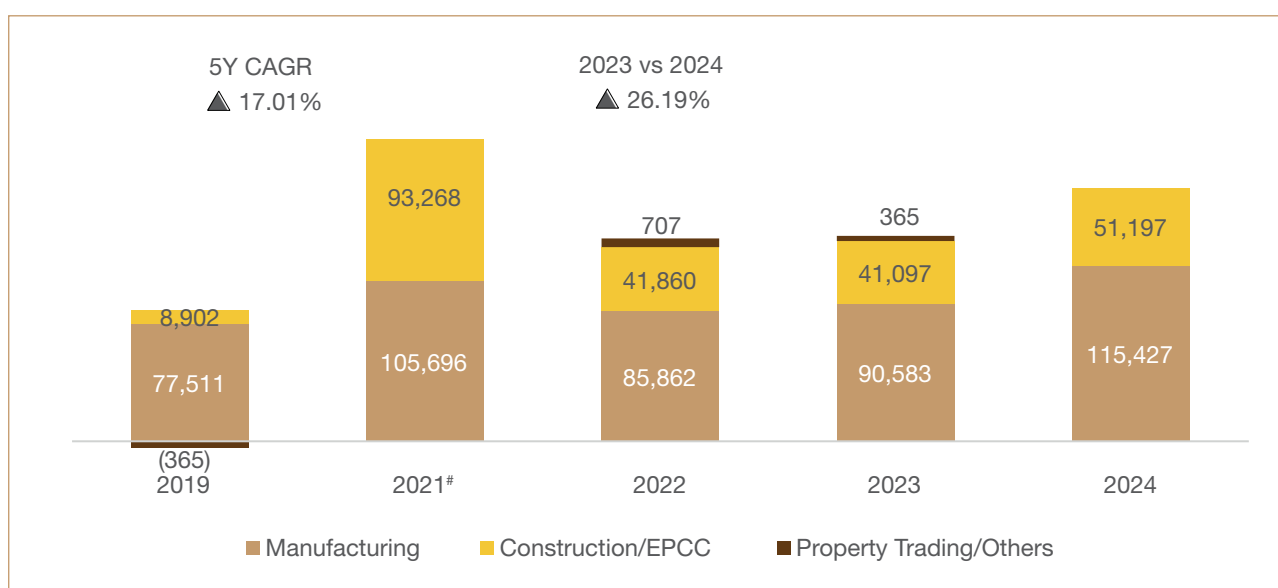


This was a cumulative 18-months result due to the change in financial year end from 31 December 2020 to 30 June 2021.

OPERATION REVIEW BY BUSINESS SEGMENT

The Group's business segments are as follows:

1. Manufacturing
2. Construction/EPCC/Project Management
3. Property Trading/Others



Revenue breakdown for FYE2019 – FYE2024

This was a cumulative 18-month result due to the change in financial year end from 31 December 2020 to 30 June 2021.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

Manufacturing Segment

- Our manufacturing segment, being the pillar of the Group, continued to thrive and remained the largest contributor to the Group’s revenue. The segment revenue increased by 27.4% to RM115.4 million for FYE2024, up from RM90.6 million recorded in FYE2023. This revenue growth was mainly attributed by higher sales of foundation piles and IBS products, driven by Sarawak’s government initiatives in infrastructure, particularly in road development and various school construction efforts, including new build, reconstruction and renovations. Additionally, the Group’s sales also supported by the private residential housing developments.

Construction/EPCC/Project Management

- Construction/EPCC/Project Management segment reported revenue of RM51.2 million for FYE2024, representing an increase of 24.6% as compared to RM41.1 million recorded in FYE2023. The increase in revenue was mainly due to increase in the recognition of construction work done, primarily driven by the recognition from road maintenance project and the new PR1MA Kelantan projects towards the end of the financial year.

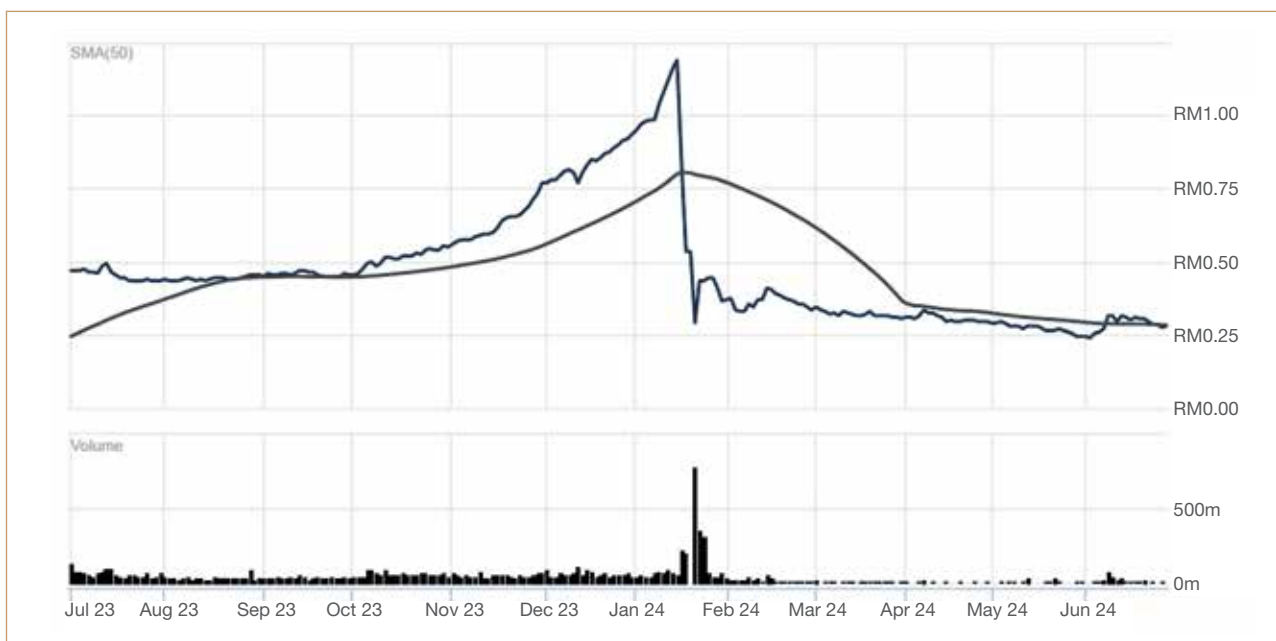
Property Trading/Others Segment

- For the current financial year, the property trading and other segments have not reported any revenue, as opposed to the RM0.4 million recorded in FYE2023, which was contributed by the sales of apartment units at Santubong Suites.

SHARE PRICE PERFORMANCE

As of 30 June 2024, the Group’s share price closed at RM0.28 with a total market capitalization of RM184.4 million. The year-to-date high stood at RM1.20 while the year-to-date low stood at RM0.24.

Share Price Performance & Trading Volume for the financial year ended 30 June 2024



Source: Wall Street Journal

DIVIDEND

Starting 2020, the Board adopted a Dividend Payout Ratio of at least 30% of the Profit After Tax attributable to the owners of SCIB for each financial year, excluding any unrealised income from adjustments due to accounting policies that are non-cash in nature. During the financial year under review, no dividend was proposed to shareholders, due to the cash reserves for the business expansion plan.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

ANTICIPATED OR KNOWN RISKS

RISKS

The Group is exposed to operational and financial risks arising from its operations and from the use of financial instruments. These risks are monitored quarterly through the Board's Risk Management Committee ("RMC") and the Risk Management Working Group ("RMWG") at the management level.

The RMWG has met numerous times to identify, address and manage those risks that are deemed critical and will greatly affect the daily operations of our factories. The said committee will also review the effectiveness of the actions taken to mitigate those risks and recommend further steps where and when required. Management is of the opinion that the operational and financial risks are properly mitigated to a minimum level.

CREDIT RISK

The Group and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company ("SCIB") and its subsidiary, SCIB Properties Sdn. Bhd. ("SCIBP"), had on 6 July 2023, entered into a Settlement Agreement with Awana JV Suria Saga Sdn. Bhd. ("Client") to mutually terminate the contract of Program Perumahan Penjawat Awam ("PPAM"). The agreement outlines the full and final settlement of debts and establish the term and payment schedule for the amount due between the parties after taking into consideration of protecting the Group's interests in mitigating the risks arising from the non-movement of project progress. Subsequently on 15 April 2024, SCIBP had entered into a Settlement cum Appointment of Contractor Agreement with the Client to appoint SCIBP as the sole main contractor for the project and provide the Client an opportunity to repay its debt. On 25 July 2024, SCIBP accepted a Letter of Award ("LOA") from their Client for the PPAM Project, subject to the terms and conditions specified in the LOA.

Throughout the financial year under review, the Group proactively assessed its impairment positions to mitigate exposure to credit risk. As a result, the Group has recognized a net impairment gain on financial assets and contract assets, amounting to RM0.8 million.

The Group's trade debtors turnover period improved from 110 days to 84 days. This improvement was primarily driven by the collection of long-outstanding payments from the construction segment, particularly from the PR1MA Kelantan project. Ample steps have been taken to assess and manage the credit risks during the year under review. The Group continuously monitor credit standing of customers with long outstanding, identified either individually or by group, and incorporate this information into its credit risk control.

LIQUIDITY RISK

The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group has a total revolving bank facilities limit of RM42.7 million, with RM32.9 million or 76.95% drawn down in the financial year under review. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of our stand-by revolving credit facilities.

As far as practicable, the Group will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio through short term funding so as to achieve overall cost-effectiveness.

INTEREST RATE RISK

The Group is exposed to market risks as there are risks for changes in interest rates, mainly in loans and borrowings. Despite the possibility of fluctuation in the bank's base financing rate, the Group does not foresee that it will be greatly affected if there is such an increase.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

RISKS INHERENT IN THE INFRASTRUCTURE AND CONSTRUCTION INDUSTRIES

By virtue of the Group's involvement in the manufacturing of precast concrete products and IBS components for use in the infrastructure and construction industries, we are exposed and will be affected by the inherent risk factors such as risks arising from changes in government policies, legislation and regulations affecting the infrastructure and construction industries, risks relating to changes in political, social and economic conditions and competition and/or business risks. Furthermore, the Group is also exposed to construction risks such as an increase in construction cost due to any escalation of material and service costs, availability of skilled manpower, materials, subcontractors' performance, and default or breach of contractual obligations and terms.

OPERATIONAL RISKS

In running the day-to-day business, the operational risks that arise include shortages of raw materials, price uncertainties of raw materials, factory productivity and efficiency, labour shortage, machinery downtime, skill and competency of the Company's employees and quality of products and services.

FOREIGN EXCHANGE RISKS

The Group is exposed to foreign exchange risks with its geographical presence in other countries due to currency fluctuations. The Group adopts a natural hedge policy whereby expenses are incurred in the same currency in which revenue is generated. As a result, no significant realised (actual) foreign gain or loss is expected due to the fluctuation of currency exchange.

OUTLOOK

The Ministry of Finance ("MOF") anticipates a GDP growth of 4.0% to 5.0% in 2024¹, building upon the nation's robust economic recovery in the first half of the year. Malaysia recorded a GDP growth of 4.2% in Q1, 2024 and an impressive 5.9% in Q2, 2024, driven by private consumption growth (6.0%) and an export recovery (8.4%). Notably, capital formation surged by 11.5% in Q2, 2024 as investments in infrastructure and construction activities gained momentum.² The current Overnight Policy Rate ("OPR") remains at a steady 3.0%³, which continues to support healthy economic growth. This favourable policy environment, coupled with government initiatives, is expected to bolster the property and construction markets, creating a fertile ground for companies to expand operations and deliver value.

SCIB remain cautiously optimistic as Malaysia's economy is projected to grow, providing a strong foundation for our strategic operations and market expansion. We are strategically positioned to benefit from Malaysia's ongoing infrastructure boom. Major government-backed projects, such as the Pan Borneo Highway, the Sarawak-Sabah Link Road Phase 2, and the North-South Highway expansion, are pivotal to driving economic growth and connectivity across the nation. The RM6.1 billion North Coastal Highway project, which is scheduled to commence from 2025 to 2030, represents a key opportunity for us to leverage our expertise in civil engineering and concrete production.⁴

The booming construction sector not only drives demand for project development but also presents significant opportunities for the manufacturing of construction materials. SCIB's manufacturing arm is poised to capitalise on the increased demand for high-quality, durable construction materials, particularly concrete and precast products, which are essential for civil engineering projects.

¹ <https://www.mof.gov.my/portal/en/news/press-release/economic-growth-surpasses-expectations-in-first-quarter#:~:text=With%20the%20Q1%202024%20growth,of%204%25%20to%205%25.>

² <https://www.ram.com.my/pressrelease/?prviewid=6733#:~:text=Overall%20GDP%20growth%20accelerated%20over,from%202.9%25%20in%204Q%202023.>

³ <https://www.bnm.gov.my/-/monetary-policy-statement-11072024>

⁴ <https://www.nst.com.my/news/nation/2024/03/1022407/sarawak-unveils-rm61bil-north-coastal-highway-project#:~:text=1bil%20North%20Coastal%20Highway%20project,-By%20Nst%20Regional&text=LIMBANG%3A%20The%20Sarawak%20government%20has,Sarawak%20Public%20Communications%20Unit%20reported.>

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

Our recent acquisition of five industrial leasehold plots in Demak Laut Industrial Park, Kuching, and our plan to construct a new factory expected to be completed by the end of 2025 will boost our production capacity. This move will position us to meet the growing demand for concrete-related products. As civil engineering and non-residential construction projects surge, SCIB's manufacturing division will play a critical role in supplying these essential materials. This expanded capacity ensures SCIB is well-prepared to fulfil large-scale orders for infrastructure projects like the Pan Borneo Highway and other government-backed developments, strengthening our presence in the domestic and regional markets.

Additionally, we have completed the installation of a batching plant in Lawas, Sarawak. This plant will cater specifically to the northern region of the state, producing high-quality reinforced concrete products for infrastructure projects such as the North Coastal Highway and the Sarawak-Sabah Link Road. The strategic location of this plant will streamline operations and ensure timely supply, further reinforcing SCIB's presence in Sarawak and Sabah infrastructure sector.

We recognised that Bintulu is emerging as a key growth hub, driven by the Sarawak state government's ambitious plan to transform it into an industrial hub with smart, liveable city due to its strategic geographical location and wealth of natural resources. This initiative is expected to attract USD460 billion investment by 2050 to support the Sarawak New Energy Hub ("SNEH") in Bintulu.⁵ Additionally, Samalaju Industrial Park is projected to draw RM15.66 billion new investments, adding to the RM111.73 billion that has already been secured to date.⁶

As investments in the Bintulu region continue to rise, it will increase the job opportunities that will drive the demand for housing, and SCIB aims to address this through our residential construction projects in Bintulu. By leveraging our IBS and precast concrete products, we aim to boost efficiency in housing construction, positioning ourselves as a key player in Bintulu's rapid development. Our strategic collaborations with developers will further enable us to deliver high-quality housing to meet the demands of the growing workforce.

Looking ahead, the Group plans to setup a precast concrete Panel Wall production facility in Bintulu, Sarawak to address the growing needs of the robust residential and industrial developments in the area. This new batching plant will allow SCIB to introduce alternative wall components into the market, enabling us to meet the growing demand from both private and public sector developments. This will help us maintain our position as a trusted supplier of high-quality construction materials across Borneo.

For the EPCC segment, the Group is actively exploring a wide array of potential projects across both East and West Malaysia, capitalizing on the government's commitment on the infrastructure developments. This includes significant initiatives in road construction, school renovations and also private residential housing projects. By participating in these key developments project, it will enable us to strengthen our position in the market.

In addition to participating in the tender project, the Group will also explore any potential strategic partnership or joint venture with other industry players. Collaborating with established players in the sector will not only enhance SCIB's ability to secure more projects but will also increase the company's capacity to deliver on larger contracts. Such alliances will enable SCIB to leverage shared resources, expertise, and innovative solutions to thrive in the dynamic landscape of the EPCC sector.

On the aspect of business sustainability, SCIB continues to invest in innovative and eco-friendly construction solutions that not only meet current market demands but also contribute to long-term environmental goals. We remain committed on driving operational efficiency while expanding our product portfolio to maintain our competitive edge in both the domestic and regional markets. By integrating advanced manufacturing techniques and sustainable production practices, SCIB's manufacturing arm is also focused on increasing efficiency while reducing environmental impact.

Given the positive outlook, the Group is confident that its operation and financial performance will continue to deliver value to its shareholders, supported by a robust outstanding order book of construction and manufacturing segment by approximately RM512.6 million as of 30 September 2024.

In the face of fluctuating market conditions and share prices, SCIB is dedicated to transparent communication with stakeholders, ensuring confidence in our strategic direction. We believe that by aligning our operations with Malaysia's growth trajectory and taking full advantage of the nation's infrastructure push, SCIB is well-positioned for sustained success in the coming years.

This Statement was approved by the Board of Directors on 14 October 2024.

⁵ <https://dayakdaily.com/premier-bintulu-energy-park-to-attract-usd460-bln-investment-spending/>

⁶ <https://investsarawak.gov.my/bintulus-samalaju-industrial-park-nets-rm111-73b-approved-investment-since-2008-launch-says-sarawak-premier/>



**CORPORATE
GOVERNANCE**

3

CORPORATE GOVERNANCE OVERVIEW STATEMENT



INTRODUCTION

The Board of Directors (“Board”) of Sarawak Consolidated Industries Berhad (“SCIB” or “the Company”) supports high standards of corporate governance practices as stipulated in the Principles and Recommendations of the Malaysian Code on Corporate Governance (“MCCG”) 2021 in implementing its governance system and ensuring compliance with the provision in the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board acknowledges its fundamental responsibility to promote and drive long-term sustainable growth, whilst taking into account the interests of the investors and all other stakeholders.

The Board is pleased to present this Corporate Governance Overview Statement, which provides key highlights on how the Company complies with the three (3) principles of the MCCG 2021 during the financial year ended 30 June 2024, as follows:

1. Principle A: Board Leadership and Effectiveness;
2. Principle B: Effective Audit and Risk Management; and
3. Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This statement was approved by the Board of Directors on 14 October 2024 and is complemented with a Corporate Governance Report (“CG Report”) based on a prescribed format pursuant to paragraph 15.25 of the Listing Requirements of Bursa Securities published on the Company’s website as well as via announcement on the website of Bursa Securities.

As of 30 June 2024 the Company has adopted and complied substantially with the principles as set out in the MCCG. The status of the application of practices is summarised as follows:

	Applied/Adopted	Departure	Not Applicable	Not Adopted	Total
Practices	42	4	-	2	48
Step-up practices	2	-	-	-	2

A summary of the corporate governance practices as well as the Board’s key focus areas in relation to the corporate governance practices are as described below, under each corporate governance principle.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board is collectively responsible for the effective leadership and long-term success of the Company.

The Board Members, in discharging their duties are constantly mindful that the interests of our customers, investors and all other stakeholders are well safeguarded.

In order to ensure effective discharge of its roles and responsibilities, the Board has formally adopted a Board Charter, which outlines the roles and responsibilities of the Board and those which it delegates special authorities to the various Board Committees. The Board Charter was last reviewed and adopted by the Board in May 2024 to keep the Board Charter up to date with the relevant regulations. The Board Charter is available on the Company's corporate website.

The Board is responsible for formulating and reviewing the Company's strategic plan and key policies, and to chart the course of the Company's business operations while providing effective oversight of the Management's performance as well as the risk management procedures and key controls.

The principal responsibilities of the Board include the following:

- Reviewing and adopting a strategic plan for the Group's business and operations;
- Overseeing and monitoring the day-to-day management of the Group's business and the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Developing the Group's succession planning;
- Developing and implementing an investor relations program or shareholder communications policy for the Company and encourages the use of information technology for effective dissemination of information; and
- Reviewing adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Committees

In furtherance, the Board also delegated specific tasks to the Board Committees namely the Audit Committee ("AC"), Remuneration & Nomination Committee ("RNC"), Risk Management Committee ("RMC"), Investment Committee ("IC") and Long Term Incentive Plan Committee ("LTIP") to enhance efficiency.

Each Board Committee has its own Terms of Reference which clearly outlines its objective, composition, roles and responsibilities to deal with particular issues and report back to the Board with the necessary recommendations, if any.

The Board Committees comprise a majority of Independent Non-Executive Directors which are able to provide diverse and constructive perspectives and insights supporting the Board to make decisions objectively.

The ultimate approval still lies with the entire Board and certain Board functions are also delegated to the Management and the Board ensures Management is of the highest caliber.

The Directors are at liberty to seek independent professional advice on matters relating to the discharge of their duties and the cost of securing such professional services will be borne by the Company.

Additionally, the Company has in place the Whistleblowing Policy and Procedures which provides a platform for its directors, employees and other stakeholders to enable the exposure of any violations or improper conduct or wrongdoing within the Company. For this purpose, the complaint must be made in writing using the Whistleblowing Report Form and sent via email or by hand/post/courier to the Company. Chief Integrity Officer has been designated to access the designated email address.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

1. Board Responsibilities *(cont'd)*

Board Committees *(cont'd)*

The Board has formalised and approved the Anti-Bribery & Anti-Corruption Policy (“ABAC”) including the setting up and strengthening of relevant policies and procedures designed to prevent and detect bribery, undertake control measures that are proportionate to the nature and size of the organisation as well as the proper training and communication of such policies and procedures. The Group has taken proactive actions to strengthen the Group’s internal processes and practices to ensure that adequate procedures are in place to prevent persons associated with the Group from involving in corrupt practices. The ABAC shall be observed by all Directors, employees of the Group and third parties engaged to act on behalf of the Group.

In addition, the Board is responsible for overseeing the implementation inclusive of its adequacy and effectiveness of Adequate Procedures as per the guideline issued by the Prime Minister’s Department pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 (Amendment) 2018.

The Guideline of the Adequate Procedures is T.R.U.S.T Principles as follows:



To ensure the effectiveness of this policy, the Risk Management Committee (“RMC”) provides oversight and monitoring of the ABAC Policy.

The aforesaid Whistleblowing and ABAC policies are available on the Company’s website.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

2. Board Composition

As of the date of this report, the Board comprises nine (9) members, including seven (7) Independent Non-Executive Directors and two (2) Executive Directors. Among the nine (9) members, one (1) is a woman Director. The Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which states that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent Director and at least one (1) woman Director on the Board.

NO.	NAME	DESIGNATION
1	YBhg. Dato' Sri Zaini Bin Jass*	Independent Non-Executive Chairman
2	Mr. Ku Chong Hong	Group Managing Director / Chief Executive Officer ("GMD/CEO")
3	Mr. Chiew Jong Wei**	Executive Director/ Chief Financial Officer ("ED/CFO")
4	Sr. Mohd Nazri Bin Mat Noor	Independent Non-Executive Director
5	YBhg. Dato' Tan Bok Koon***	Independent Non-Executive Director
6	Mr. Liaw Way Gian	Independent Non-Executive Director
7	Mr. Kang Wei Luen	Independent Non-Executive Director
8	Dr. Dang Nguk Ling	Independent Non-Executive Director
9	Mr. Yak Boon Tiong****	Independent Non-Executive Director

* Appointed as an Independent Non-Executive Chairman of the Company on 11 December 2023

** Appointed as the Executive Director of the Company on 11 December 2023

*** Appointed as an Independent Non-Executive Director of the Company on 11 December 2023

**** Appointed as an Independent Non-Executive Director of the Company on 29 February 2024

The profile of each Director is disclosed in the Directors' Profile of this Annual Report.

Upon the assessment conducted by the RNC on the Board's size and composition, the Board was satisfied that the current size is appropriate given the scale of the Company's business and operations and the composition well balanced with the right mix of diverse knowledge, skills and attributes constituting an effective Board able to discharge its duties professionally and efficiently.

The Non-Executive Chairman is primarily responsible for the leadership and management of the Board, ensuring the Board and Board Committees execute their responsibilities in the best interest of the Company. He act as a direct liaison between the Board and the Management and communicate on behalf of the Company to shareholders, Government Authorities and other stakeholders where appropriate.

The concept of independence adopted by the Board is in tandem with the definition of an Independent Director in the Listing Requirements. The key element in fulfilling the criteria is the appointment of an Independent Director, who is not a member of management (a Non-Executive Director) and is free from any relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of the Company.

The Independent Non-Executive Directors play a significant role in bringing impartiality and scrutiny to the Board's deliberations and decision-making, and also serve to stimulate and challenge the Management in an objective manner. They do not engage in the day-to-day management of the Company and do not participate in any business dealings and are not involved in any other relationship with the Company. This is to ensure that the Independent Non-Executive Directors remain free of conflict-of-interest situations and execute their roles and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

2. Board Composition *(cont'd)*

To further enhance the function of the Independent Non-Executive Directors, the Board has also defined their roles and responsibilities to include the following:

- Provides independent and objective views, assessments and suggestions in deliberations of the Board;
- Ensures effective check and balance in the proceedings of the Board;
- Mitigates any possible conflict of interest between the policy-making process and day-to-day management of the Company;
- Constructively challenge and contribute to the development of the business strategies and direction of the Company; and
- Review the integrity of financial reporting and financial controls and systems of risk management to ensure they are robust.

The members of the Board possess strong diverse mix of skills and are experienced individuals with different backgrounds, specialisation and expertise in accounting, economics, engineering and business management and are persons of high caliber and integrity, which gives added strength to the leadership that is necessary for the effective stewardship of the Company.

Given that there are seven (7) experienced and independent-minded Independent Directors representing more than 50% of the Board, the Board collectively would be able to function independently of management. This allows for effective oversight of the management as well as supports objective and independent deliberation, review and decision-making.

The RNC and the Board are well aware that the tenure of an independent director should not exceed a cumulative term of nine (9) years as recommended by the MCG 2021. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. Prior to attaining the stipulated number of years, the RNC will consider the following and recommend to the Board accordingly:

- (a) whether the Independent Director is to continue to serve on the Board, subject to his/her re-designation as a Non-Independent Director; or
- (b) whether shareholders' approval through a two-tier voting process is to be sought to retain him/her as an Independent Director.

On 11 December 2023, an Independent Non-Executive Director namely Encik Shamsul Anuar Bin Ahmad Ibrahim, stepped down as members of the Board of Directors. He has served as an Independent Director for a cumulative of nine (9) years. His resignation is in line with the enhanced MMLR of Bursa Securities which limit the tenure of an independent director to not more than 12 years, effective from 1 June 2023.

During the current reporting period, none of the Independent Non-Executive Directors hold office as independent directors for more than nine (9) years.

Board Gender Diversity

The Board supports the Board's gender diversity as promoted by MCG 2021. Currently, there is one (1) woman director on board as the Company recognizes and embraces the benefits of having a diverse Board, and sees increasing diversity at the Board level as an essential element in maintaining a competitive advantage. However, the Board views that Board membership is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender.

The participation of women in senior management has also been practiced in the Group.

Directors' Code of Ethics

The Directors observed a code of ethics in accordance with the code of conduct as set out in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. This code is available on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

2. Board Composition *(cont'd)*

Board Meetings & Supply of Information

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year to facilitate the Directors to plan ahead and organize the next financial year's Board meetings into their respective schedules.

The Board holds meetings at least four (4) times a year as soon as the Company's quarterly and annual results are finalized in order to review and approve the results for submission to Bursa Securities and the Securities Commission. Special Board meetings may be convened to consider urgent proposals or matters that require expeditious review or consideration by the Board.

Preceding minutes of every Board and Board Committee meeting were circulated to all Directors for their perusal and comments. The Directors may request further clarification or raise comments on the minutes prior to the minutes being confirmed as a correct record of the proceedings of the Board at the subsequent meeting.

For effective Board proceedings, the Directors would receive the structured agenda together with comprehensive management reports and proposal papers at least (5) business days before the Board meeting. This is to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or the Company Secretary, or to consult independent advisers, if they deem necessary.

Confidential papers or urgent proposals are presented and tabled at the Board meetings under supplemental agenda.

The Board meeting papers are prepared and presented in a concise and comprehensive format to ensure that the Directors have a complete and relevant depiction of the issues in order that the Board deliberation and decision-making are performed systematically and in a well-informed manner.

At the Board meetings, the Chairman of each Board Committee would inform the Directors at Board meetings, of any salient matters noted by the Board Committee Chairman and which require the Board's notice or direction. During the meeting, the Board reviews management reports on the business performance of the Company as well as the major subsidiaries, and reviews, inter-alia, the results compared to the preceding month and year-to-date, and also the comparison against pro-rated business targets.

As part of the integrated risk management initiatives, the Board also notes the decisions and salient issues deliberated by the Board Committees and the C-Suites Committee ("CSC") through minutes of the Committees' meetings.

The Board Members deliberate, and in the process, assess the viability of business propositions and proposals, and the principal risks that may have significant impact on the Company's business or its financial position, and the mitigating factors. Any Director who has a direct and/or indirect interest in the subject matter to be deliberated on shall abstain from deliberation and voting on the same.

The Board also assesses various types of propositions and matters that are required to be submitted to the Board for concurrence or approval, in accordance with the guidelines issued by the Board.

The Board is updated by the Management on the follow-up of its decisions and recommendations by the Management. The Company Secretaries are also responsible for giving sound advice to the Board and Chairman on all governance-related matters. The Management, the Company Secretaries, external, internal auditors as well as the external risk advisor also briefed the Board periodically on the latest updates/amendments on MMLR, MCCG 2021 and other regulatory requirements to assist the Directors in discharging their duties and responsibilities effectively. They are entitled to have access, at all reasonable times, to all relevant company information and to the Management and have at least two (2) private sessions in a year with the external auditors if deemed necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

2. Board Composition *(cont'd)*

Company Secretary

The Board is supported by two (2) suitably qualified and competent Company Secretaries under Section 235(2)(a) of the Companies Act 2016. The Company Secretaries have vast knowledge and experience from being in public practice and is supported by a dedicated team of company secretarial personnel.

The Company Secretaries, Mr. Tan Tong Lang, is a member of the Malaysian Association Institute of Chartered Secretaries and Administrators (“MAICSA”) and Ms. Thien Lee Mee is a Licensed Secretary.

The Company Secretaries, or together with their representatives, had during the year:

- (i) acted as Secretary for all Board Committee meetings and ensure that all meetings are properly convened;
- (ii) recorded and minute the proceedings of all meetings including pertinent issues, the substance of inquiries and responses, suggestions and proposals;
- (iii) play supporting and advisory roles to the Board with the assistance of the Management, particularly with regard to the Company’s constitution, compliance with statutory and regulatory requirements such as restriction in dealing with the securities of the Company;
- (iv) regularly updated and briefed on the latest changes/developments in corporate governance, statutory and regulatory requirements, ensure adherence and compliance to the procedures and regulatory requirements from time to time; and
- (v) managed proceedings pertaining to the annual general meeting held during the year.

The Company Secretaries have attended many relevant continuous professional development programs i.e. trainings, seminars, workshops and talks conducted by the Companies Commission of Malaysia, Bursa Securities and MAICSA to keep abreast with the relevant updates on statutory and regulatory requirements.

Training & Development of Directors

As of the date of this Report, all Directors have attended the Mandatory Accreditation Program (“MAP”) Part I and Part II as prescribed under the Listing Requirements. The Directors have continued to attend seminars and briefings during the financial year in order to enhance their skills and knowledge, and to keep abreast with changing commercial risks in line with market and economic developments. They also keep up-to-date with market developments and related issues through discussion with the Senior Management Officers.

These provide the platforms to disseminate emergent strategic directions and ideas as well as intellectual interactions that enhance the knowledge and relevance of the Directors.

The Directors are also provided with the Board Policy Manual that contains information including but not limited to the structure of the Company, management and operation as well as the Directors’ duties and obligations.

The Company’s Human Resources Department facilitates the organization of internal training programs and Directors’ attendance in external programs.

The details of directors’ training participated during the financial year are highlighted in the Directors’ Profile report herein this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. Board Composition (cont'd)

Time Commitment of Directors

Directors are at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Company and do not adversely affect the Directors' performance and contributions as members of the Board and Board Committee.

The directors remain fully committed and dedicated to fulfilling their duties and responsibilities as reflected by their attendance at Board meetings during the financial year, details of the number of Meetings held and the attendance of each Director can be found in the Report on Directors' Profile in this Annual Report.

Re-Appointment and Re-Election of Directors

The RNC will consider and recommend to the Board for the continuation in service of those Directors who are due for re-election/re-appointment. A Directors' Fit and Proper Policy was adopted by the Company to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

The Constitution of the Company provides that at its every annual general meeting, one-third (1/3) of Directors for the time being and those appointed during the financial year shall retire from office and shall be eligible for re-election.

The Constitution further provides that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The re-appointment and re-election of Directors at its annual general meeting is subject to the prior assessment by the RNC and the recommendations thereafter submitted to the Board for approval for the Director concerned to continue to hold office.

Pursuant to Article 122(1) of the Company's Constitution, Mr. Ku Chong Hong and Dr. Dang Nguk Ling are subject to retirement by rotation at the forthcoming 48th AGM of the Company and they have expressed their willingness to seek re-election.

In addition, the following Directors are standing for re-election at the forthcoming 48th AGM of the Company pursuant to the Company's Constitution as follows:-

No.	Directors	Article No.
1	YBhg. Dato' Sri Zaini Bin Jass	127
2	Mr. Chiew Jong Wei	127
3	YBhg. Dato' Tan Bok Koon	127
4	Mr. Yak Boon Tiong	127

All the above-mentioned Directors have expressed their willingness to seek re-election at the forthcoming 48th AGM of the Company.

The profiles of the retiring directors standing for re-election are set out in the Directors' Profile in the Annual Report 2024.

The Board does not fix a maximum tenure limit for Directors as the Board is of the view that there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and knowledge of the Company's affairs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. Board Composition (cont'd)

Board Committees

To assist the Board in discharging its duties, the Board has established several Board Committees whose compositions and terms of reference are in accordance with the best practices.

The functions and terms of reference of Board Committees as well as authority delegated by the Board to these Committees, were approved by the Board, and are reviewed from time to time to ensure that they are relevant and up-to-date.

The Board Committees of the Company are as follows:

- Audit Committee
- Remuneration & Nomination Committee
- Risk Management Committee
- Investment Committee
- Long Term Incentive Plan Committee

Details of the Board members' membership in the various Board Committees are set out below:

NO.	DIRECTOR	AUDIT COMMITTEE	REMUNERATION & NOMINATION COMMITTEE	RISK MANAGEMENT COMMITTEE	INVESTMENT COMMITTEE	LONG TERM INCENTIVE PLAN COMMITTEE
1	YBhg. Dato' Sri Zaini Bin Jass	-	-	-	-	-
2	Mr. Ku Chong Hong	-	-	-	Member	Member ⁽⁶⁾
3	Mr. Chiew Jong Wei	-	-	-	Member	Member ⁽⁵⁾
4	Sr. Mohd Nazri Bin Mat Noor	-	-	-	Chairman	-
5	YBhg. Dato' Tan Bok Koon	-	-	-	-	-
6	Mr. Liaw Way Gian	-	Chairman	-	-	Chairman ⁽³⁾
7	Mr. Kang Wei Luen	Chairman	Member	Chairman	-	Member ⁽⁴⁾
8	Dr. Dang Nguk Ling	Member	Member	Member	-	-
9	Mr. Yak Boon Tiong	Member ⁽¹⁾	-	Member ⁽²⁾	-	-

(1) - (2) Appointed as a member of the respective Board committee on 29 February 2024

(3) Appointed as a Chairman of the respective Board committee on 29 May 2024

(4) - (6) Appointed as a member of the respective Board committee on 29 May 2024

All proceedings, matters arising, deliberations in terms of the issue discussed, and recommendations made by the Board Committees at the Committees' meetings are recorded in the minutes by the Company Secretary, confirmed by the Board Committees, and signed by the Chairman of the said Committees.

Upon invitation, Management representatives were present at the Board Committees' meetings to provide additional insight into matters to be discussed during the said committee meetings, if so required.

All the Board Committees do not have executive powers but to report to the Board on all matters considered and their recommendations thereon.

The Terms of Reference of the respective Board Committees are available for reference at www.scib.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

2. Board Composition *(cont'd)*

Audit Committee ("AC")

The Terms of Reference of the AC are set out under the AC Report in this Annual Report and further details are disclosed under Principal B: Effective Audit and Risk Management in this Statement.

Remuneration and Nomination Committee ("RNC")

The RNC comprises three (3) Non-Executive Directors, all of whom are independent directors. Meetings of the RNC are held as and when required, and at least once a year.

Role and responsibility

- (i) To identify and recommend the proposed appointment of a new Director and the re-appointment of Directors upon the expiry of their respective tenures of office for approval of the Board. Any new Director will undergo a familiarisation programme, which includes a presentation of an overview of the Company's profile, products, factories and track records to facilitate the new Directors' understanding of the Company; The Company Secretary will ensure that all appointments of new Directors are properly carried out and all legal and regulatory obligations are met;
- (ii) To review the Board Members' directorships in companies other than the Company; the number of directorships held is well within the restriction of not more than five (5) directorships in public listed companies as stated in the Listing Requirements;
- (iii) To assess and review annually the independence and its continuation as the Independent Directors;
- (iv) To review annually the performance of the Executive Directors and submit recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are competitive and are in tandem with the Company's corporate objectives, culture and strategy; and
- (v) To consider succession planning and review the leadership needs of the Group.

All assessments and evaluations carried out by the RNC in the discharge of all its functions shall be properly documented.

In 2024, the RNC carried out the annual review of the overall remuneration policy for Directors and Key Senior Management Officers and recommended for the Board's approval.

The RNC and the Board ensure that the Company's remuneration policy remains supportive of its corporate objectives and is aligned with the interest of shareholders, and further that the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to draw in and retain persons of high caliber.

The Board as a whole determines the remuneration of Non-Executive Directors, and each individual Director abstains from the Board's decision on his own remuneration.

The RNC's Terms of Reference was last reviewed and endorsed by the Board in May 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

2. Board Composition *(cont'd)*

Risk Management Committee ("RMC")

Among others, the RMC has the following roles & responsibilities:

- a. Develop and recommend the Company's risk policies and objectives aligned with its strategic business objectives;
- b. Communicate Board's risk policies, objectives, responsibilities, and reporting lines;
- c. Identify and communicate to the Board all risks (present and potential) the Company faces, its changes and management action plans to manage those risks;
- d. Perform risk oversight and review of risk profiles of the Company and regularly review business units' risk management processes;
- e. Provide guidance to business units of the Company and its risk appetite and capacity, and other criteria which, when exceeded, trigger an obligation to report upward to the Board; and
- f. All other risk management matters delegated by the Board.

For the year under review, the Board is satisfied with the performance of the RMC in discharging its duties and responsibilities in accordance with its Terms of Reference.

More information about the activities of the RMC is set out in the Statement on Risk Management and Internal Control in this Annual Report.

Investment Committee ("IC")

Among others, the IC has the following roles and responsibilities:

- a. To review annual business plans and budgets for recommendation to the Board for approval;
- b. To evaluate proposals on new investments and divestments of significant value to ensure they align with SCIB's vision, mission and corporate goals;
- c. To approve investment up to a prescribed amount as determined by the Board from time to time, beyond which a recommendation will be made to the Board;
- d. To review financial investment portfolios of the Group. This includes and is not limited to existing and new merger and acquisitions, new partnerships, divestments and large capital expenditure projects;
- e. To oversee current and future capital and financial resource requirements;
- f. To monitor the fund-raising activities of the Group;
- g. To conduct the annual performance evaluation of the Group's investment activities;
- h. To review and recommend to the Board of Directors the foreign exchange and hedging policies and procedures; and
- i. To implement other necessary duties as mutually agreed by the Investment Committee and the Board of Directors or any other authorities that are required by law or regulated by any Government authority.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

2. Board Composition *(cont'd)*

Long Term Incentive Plan Committee ("LTIP")

The LTIP Committee was formed on 29 May 2024 and comprises of not less than three (3) members, of whom two (2) members are Non-Executive Directors and one (1) of the Non-Executive Director serves as the Chairman of the LTIP Committee. Additionally, the LTIP Committee shall consist of at least one (1) Executive Director as the management representative. An LTIP meeting was held on 14 October 2024 during the year 2024.

The LTIP has the following roles and responsibilities:

- To exercise all powers and fulfil the duties and responsibilities as stated in the LTIP By-Laws;
- To decide the number of options and/or shares to be granted to eligible persons, the exercise price for the options, vesting conditions (if any) and such other terms in relation to the LTIP By-Laws;
- To enter into any transaction, agreements, deeds, documents or arrangement and make rules, regulations or impose terms & conditions, or delegate part of its power relating to the share options and share grant which the LTIP committee may, in its discretion, consider to be necessary subject to the provisions of the LTIP By-Laws;
- To regularly report its activities, including the discharge of responsibilities, to the Board and promptly provide the Board with copies of the minutes of LTIP Committee meetings;
- To arrange for periodic review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any change it considers necessary to the Board for approval;
- To act in accordance with the directives of the Board of Directors to ensure alignment with the company's strategic objectives; and
- To evaluate and address any actions and matters deemed appropriate by the LTIP Committee for the effective implementation and administration of share options and grants, ensuring compliance with the LTIP By-laws and relevant regulatory requirements.

The LTIP is for a period of five (5) years commencing on 24 July 2024 ("Effective Date") and may be extended by the Board at its absolute discretion for up to another five years immediately from the expiry of the first five (5) years. The entire LTIP shall not in aggregate exceed ten years from the Effective Date or such longer period as may be allowed by the relevant authorities.

3. Remuneration

The RNC is responsible for annually reviewing the performance of the Executive Director and Key Senior Management Officers, and making recommendations to the Board.

The remuneration of the Executive Directors is structured to link rewards to the Company and individual performance. As for Non-Executive Directors, the level of remuneration reflects mainly on the experience, qualification and competence of the Non-Executive Director concerned. The Non-Executive Directors are remunerated with Directors' fees which are subject to shareholders' approval at the AGM annually.

In recommending the proposed Directors' fees, the RNC takes into consideration the qualification, duty and responsibility, and contribution required from a director in view of the Company's complexity, and also the market rate among the industry. Nevertheless, the ultimate approval for the remuneration of Directors lies with the Board as a whole, with the respective interested Directors abstaining from deliberation and voting on the same.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

3. Remuneration (cont'd)

The disclosure of the remuneration of individual Directors of the Company on a named basis for the financial year ended 30 June 2024 is provided under Practice 8.1 of the Corporate Governance Report, which is available on the Company's website at www.scib.com.my:

NO.	DIRECTOR	SALARIES RM	FEES RM	MEETING ALLOWANCES & OTHER EMOLUMENTS RM	TOTAL REMUNERATION RM
EXECUTIVE DIRECTOR					
1	Mr. Ku Chong Hong	600,000	36,000	32,171	668,171
2	Mr. Chiew Jong Wei ⁽¹⁾	354,035	20,032	57,257	431,324
NON-EXECUTIVE DIRECTOR					
1	YBhg. Dato' Sri Zaini Bin Jass ⁽²⁾	-	40,065	-	40,065
2	Sr. Mohd Nazri Bin Mat Noor	-	36,000	-	36,000
3	YBhg. Dato' Tan Bok Koon ⁽³⁾	-	20,032	-	20,032
4	Mr. Liaw Way Gian	-	36,000	1,200	37,200
5	Mr. Kang Wei Luen	-	36,000	18,520	54,520
6	Dr. Dang Nguk Ling	-	36,000	9,560	45,560
7	Mr. Yak Boon Tiong ⁽⁴⁾	-	12,103	3,021	15,124
RESIGNED DIRECTORS					
1	Encik Abang Abdillah Izzarim Bin Datuk Patinggi Tan Sri Abang Hj Abdul Rahman Zohari ⁽⁵⁾	187,419	32,129	6,961	226,509
2	Encik Shamsul Anuar Bin Ahamad Ibrahim ⁽⁶⁾	-	16,065	4,413	20,478
3	Ms. Toh Beng Suan ⁽⁷⁾	-	16,065	-	16,065
4	Mr. Chin Choon Wei ⁽⁸⁾	150,000	14,700	5,000	169,700
TOTAL		1,291,454	351,191	138,103	1,780,748

(1) Appointed as the Executive Director with effect from 11 December 2023

(2) Appointed as the Independent Non-Executive Chairman with effect from 11 December 2023

(3) Appointed as the Independent Non-Executive Director with effect from 11 December 2023

(4) Appointed as the Independent Non-Executive Director with effect from 29 February 2024

(5) Retired as the Executive Chairman of the Company with effect from 11 December 2023

(6) Resigned as the Independent Non-Executive Director with effect from 11 December 2023

(7) Retired as the Independent Non-Executive Director with effect from 11 December 2023

(8) Resigned as the Executive Director with effect from 27 November 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Terms of Reference for the AC are set out under the AC Report in this Annual Report.

Relationship with the External Auditors

The AC has in place policies and procedures to review and assess the appointment or re-appointment of external auditors with respect to their suitability, objectivity and independence. There have not been any non-audit services that have compromised their independence as external auditors of the Company.

The AC in this regard assesses and reviews annually among others, the adequacy of their experience and resources, their audit engagements and the experience of the engagement partners and staff in accordance with the requirements of the Company.

Through the AC, the Company has established a formal and transparent relationship with the external auditors. The AC also meets with the external auditors without the presence of the Management to enable the AC to discuss matters privately with them.

Assurance from the external auditors has been received twice a year by the Board confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee is satisfied with the performance of the external auditors, Messrs. Kreston John & Gan, who are registered with the Audit Oversight Board of the Securities Commission and has recommended to the Board to put forth the proposal for shareholders' approval at the upcoming 48th AGM the re-appointment of Messrs. Kreston John & Gan as the external auditors of the Company for the financial year ending 30 June 2025.

2. Risk Management & Internal Control

The Board acknowledges their responsibility for the Company's system of risk management and internal control, which is designed to identify and manage the risks of the businesses of the Company, in pursuing of its objectives.

The system of risk management and internal control spans financial, operational and compliance aspects, particularly to safeguard the Company's assets and hence shareholders' investments.

In executing this responsibility, the Board via the AC and RMC and the outsourced internal audit function, has adopted procedures to monitor the ongoing adequacy and integrity of the system of risk management and internal control.

Information on the Company's system of risk management and internal control is presented in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Company maintain a regular policy of disseminating information that is material for shareholders' information via announcements made to Bursa Securities.

In compliance with the Listing Requirements, the Company releases timely financial information on a quarterly basis, which includes an overview of the performance of the Company.

In addition, the Company also put in place an electronic platform to enable communication with shareholders via its website which they can access to and obtain all information (operational, financial, corporate governance and investor relations aspects) on the Company by accessing this website.

All announcements made by the Company and information that are relevant to the shareholders and investors are available on the website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *(cont'd)*

1. Communication with Stakeholders *(cont'd)*

The Group views that a constructive and effective investor relations function is essential in enhancing shareholders' value. During the financial year ended 30 June 2024, the Company organises Investors briefing on 1 December 2023, 17 January 2024, 19 February 2024, and 1 March 2024 to share our business profile, products, recent developments and future prospects of the Group's business with research analysts, fund managers and their sales team.

Investor briefings create valuable opportunities for the Company to meet with research analysts and fund managers to share our business updates that are relevant to the analyst coverage area and provide information for their research paper.

2. Conduct of General Meetings

The Annual General Meeting ("AGM") is the principal forum for two-way interactions between the shareholders, the Board and the management team. The shareholders are encouraged and given sufficient opportunity to enquire about the Company's activities and prospects as well as to convey their expectations and concerns to the Board.

The Company conducted its last two (2) AGMs virtually in accordance with the Guidance Note issued by the Securities Commission and the Constitution of the Company which allows general meetings to be held virtually using technology or electronic means.

Each item of special business included in the Notice of Annual General Meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate evaluation of the proposed resolution.

Shareholders are encouraged to put forward their questions on the proposed resolutions tabled at the general meetings. Members of the Board, the external auditors, senior management and/or advisers of the Company are present to answer queries raised at the general meetings.

Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of general meetings is voted on by way of a poll via electronic voting. The explanatory note on the polling processes is included in the Administrative Guide circulated to shareholders and the same will be explained at the AGM prior to shareholders casting their votes. An independent scrutineer will be appointed to validate the poll results.

The 48th AGM will be conducted entirely through live streaming from the broadcast venue. Hence, all the resolutions tabled at the forthcoming 48th AGM to be held on 19 December 2024 will be voted on by way of a poll.

The shareholders will be briefed on the voting procedures while the results of the poll will be verified by an Independent Scrutineer.

The minutes of the 48th AGM will be published on the Company's corporate website at www.scib.com.my as soon as practical after the conclusion of the AGM.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is satisfied that the Company has maintained high standards of corporate governance and strived to achieve the highest level of integrity and ethical standard, in all its business dealings.

Moving forward, the Board will continue to operationalise and improve the Company's corporate governance practices and instil a risk and governance awareness culture and mindset throughout the organisation in the best interest of all stakeholders.

This Statement was approved by the Board of Directors on 14 October 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY



The Board of Directors is required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, to issue a statement explaining their responsibility for preparation of the annual audited financial statements.

The Directors are also required by the Companies Act 2016 to prepare financial statements for each financial year which gives a true and fair view of the financial position of the Group and of the Company as of the financial year end and their financial performance and the cash flows for the financial year then ended.

The Directors considered that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2024 contained in this Annual Report, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. The Directors also considered that all Malaysian Financial Reporting Standards and International Financial Reporting Standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

This Statement was approved by the Board of Directors on 14 October 2024.

AUDIT COMMITTEE REPORT

INTRODUCTION

The Audit Committee (“AC”) is pleased to present the AC Report for the financial year ended 30 June 2024 in compliance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

COMPOSITION

The AC was formed by the Committee members appointed by the Board from amongst the Board members.

The AC comprises three (3) Members, all of whom are Independent Non-Executive Directors with vast backgrounds and experience within the financial and/or audit industry, sitting on the audit committee. None of the Independent Non-Executive Directors had appointed Alternate Directors. The details of the composition of AC are outlined on page 62.

The Chairman of AC is not the Chairman of the Board of Directors.

Mr. Yak Boon Tiong was appointed as a member of the Committee on 29 February 2024 in place of Encik Shamsul Anuar bin Ahamad Ibrahim who resigned as a member on 11 December 2023.

Mr. Yak Book Tiong is a Fellow member of the Association of Chartered Certified Accountants (“ACCA”), a member of the Malaysian Institute of Accountants (“MIA”), and a member of the Chartered Tax Institute of Malaysia (“CTIM”).

The AC complies with the requirements set out its Terms of Reference (“TOR”) and meets the requirements of the following MMLR and MCCG.

MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (“MMLR”)

Paragraph 15.09(1)(a): The audit committee composed not fewer than three (3) members.

Paragraph 15.09(1)(b): All the audit committee members were non-executive directors and independent directors.

Paragraph 15.09(1)(c)(i): At least one member of the audit committee has member of the Malaysian Institute of Accountants.

Paragraph 15.10: The Chairman of the AC must be an independent director.

MALAYSIAN CODE ON CORPORATE GOVERNANCE (“MCCG”)

Practice 9.1: The Chairman of the AC is not the Chairman of the Board.

Practice 9.2: Requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.

Practice 9.4: The AC should comprise solely of independent directors.

TERMS OF REFERENCE

The TOR of AC which defines the authorities, duties and responsibilities of the AC is continuously updated to reflect changes in laws, requirements and regulations.

The primary responsibility of the AC is to assist the Board in fulfilling its oversight responsibilities in areas such as financial reporting, internal control systems, risk management systems, internal audit and external audit functions.

The TOR of the AC are accessible by the public for reference, at the Group’s website at www.scib.com.my.

AUDIT COMMITTEE REPORT

(CONT'D)

MEETINGS AND ATTENDANCE

As per the Terms of Reference, the AC shall meet at least on a quarterly basis with additional meetings convened as and when necessary.

During the Financial Year ended 30 June 2024, the AC held five (5) meetings on 24 August 2023, 11 October 2023, 28 November 2023, 26 February 2024, and 27 May 2024.

Details of attendance of members of AC in its meetings are as follows:

	<p>Mr. Kang Wei Luen Chartered Islamic Finance Professional Chairman / Independent Non-Executive Director (Appointed as Chairman on 02.08.2023)</p>	<p>MEETING ATTENDANCE</p> <p>5/5</p>
	<p>Dr. Dang Nguk Ling Doctorate in Algal Biotechnology, Master Degree in Environmental Toxicology Member / Independent Non-Executive Director (Appointed as member on 02.08.2023)</p>	<p>MEETING ATTENDANCE</p> <p>5/5</p>
	<p>Mr. Yak Boon Tiong ACCA, MIA, CTIM Member / Independent Non-Executive Director (Appointed as member on 29.02.2024)</p>	<p>MEETING ATTENDANCE</p> <p>1/1</p>
	<p>En. Shamsul Anuar Bin Ahamad Ibrahim FCCA, MIA Member / Independent Non-Executive Director (Reappointed as member on 17.03.2022 and resigned as member on 11.12.2023)</p>	<p>MEETING ATTENDANCE</p> <p>3/3</p>

The Group Managing Director/Chief Executive Officer (“GMD/CEO”), the Executive Director/Chief Financial Officer (“ED/CFO”), the Chief Operating Officer (“COO”), and the Head of Corporate Service are the permanent invitees to the AC meetings, to provide input, advice and furnish appropriate relevant information, especially on audit issues and updates on the Group’s operations.

In addition, relevant Management members of the respective auditees were invited to brief the AC on specific issues arising from the audit reports or on any matters of interest.

The external auditors also are invited to attend the AC meeting to present their Audit Planning Memorandum (“APM”) for the financial year as well as the audit findings of the statutory audit conducted on the Group.

The Chairman of the AC would provide input on highlighting significant points of decisions and recommendations made by the AC to the Board for consideration and approval at the Board meetings.

During the financial year, the AC met the external auditors twice without the presence of the Management.

Minutes of each AC meeting was recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation.

The agenda and a set of meeting papers encompassing qualitative and quantitative information relevant to the business of the meeting are distributed to the AC members at least five (5) business days prior to the meeting dates.

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES

The AC executed the following activities during the financial year ended 30 June 2024:

Activities	Deliberation
Financial Reporting	<p>The AC conducted a comprehensive review of the Group's unaudited quarterly and half-yearly financial results, as well as the annual audited financial statements.</p> <p>The review involved evaluating the appropriateness of the accounting policies applied.</p> <p>The AC sought explanations and additional information from Senior Management, including the CFO, if necessary, to understand the reasons for the variances or fluctuations in the Group's financial performance, if any, specifically related to key income and operating expenses.</p> <p>In their review, the AC focused on several key areas:</p> <ul style="list-style-type: none"> • Profits Contribution: Analysis of profits from both domestic and overseas operations and by business segments. • Financial Ratios: Examination of trends in liquidity ratios, receivables and payables turnover periods, gearing ratios, EBITDA, gross profit margin, net debt to EBITDA ratio, and inventory turnover periods. • Accounting Policies: Consideration of significant issues related to the adoption and changes of accounting policies and fiscal reporting practices.
External Audit	<p>The AC reviewed the following matters:</p> <ul style="list-style-type: none"> • The External Auditor's ("EA") audit plan for the financial year ending 30 June 2024. <p>EA's audit plan covers its engagement team, the concept of materiality, independence, and objectivity, and the key audit areas.</p> <ul style="list-style-type: none"> • Key audit issues raised by EA in their management letter and assessed Management's responses and actions taken to resolve these issues. • The written assurance from the EA regarding their independence; and • Two (2) meetings were held with the EA without the presence of the GMD/CEO and other Management members during the year under review to ensure unbiased discussion and decision made on audit matters.



AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES (cont'd)

Activities	Deliberation
Internal Audit	<p>In its oversight over the Internal Audit (“IA”) Function, the AC has performed the following:</p> <ul style="list-style-type: none"> • Internal Audit Framework and Plan: The AC approved the internal audit framework and the annual audit plan, to ensure adequate scope and comprehensive coverage of the Group’s activities, particularly high-risk areas, which are audited at least annually. • Internal Audit Charter: The AC reviewed and deliberated on the revisions made to the Internal Audit Charter and recommended the same to the Board for approval. • Performance Monitoring: The AC regularly reviewed and monitored the IA’s performance, the progress of the approved annual audit plan and the adequacy of audit coverage on a quarterly basis. <p>The list of internal audit activities conducted during the financial year ended 30 June 2024 is as follows:</p> <ol style="list-style-type: none"> 1. Finance Function Review and Assessment; 2. Project Management; 3. Supply Chain; and 4. Industrialised Building System (“IBS”). <ul style="list-style-type: none"> • Competency and Methodology: The AC reviewed and approved action plans to address competency gaps and audit methodology within the IA Function. • Corrective Action: The IA’s report, including audit recommendations and Management’s responses, was issued and discussed in the AC Meetings. The AC monitored the progress of the corrective actions taken by Management, to ensure timely remedial actions were taken for key risk area and control issues. <p>The IA Function also reviewed compliance with internal policies, procedures, and standards, and relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group’s internal control system.</p> <p>Areas audited by the IA Function included audits on the various subsidiaries covering each division in the Group.</p> <p>For the financial year under review, the AC noted that there was no significant disagreement between the IA Function and the Management.</p>
Risk Management	<p>The AC assists Risk Management Committee (“RMC”) in overseeing the Group Risk Register and also deliberates the risk exposure the proposed mitigation plans, and reports their findings to the Board.</p>
Related Party Transactions (“RPT”), Recurrent Related Party Transactions (“RRPT”) & Conflict of Interest (“COI”)	<p>The AC has carried out the following responsibility related to the RPT, RRPT & COI:</p> <ul style="list-style-type: none"> • Review and Discussion: The AC reviewed and discussed reports on RPT, RRPT & COI, as well as potential conflict of interest transactions to ensure that all such transactions were conducted on an arm’s length basis and normal commercial terms, which is consistent with the Group’s standard business practices and policies, not more favourable than those available to the public and other suppliers, and not detrimental to minority shareholders. • Threshold Monitoring: The AC monitored the threshold of the RPT and RRPT to ensure compliance with the MMLR of Bursa Securities.

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES *(cont'd)*

Activities	Deliberation
Annual Reporting	The AC has reviewed the AC Report and the Statement on Risk Management and Internal Control for the Board's approval and inclusion in the Annual Report 2024.
Solvency Assessment	The AC reviewed the solvency test undertaken by the Management quarterly which indicated that the Group could satisfy its debts within 15 months from the date of disbursement of dividend to ensure that the Group is solvent pursuant to Section 132(3) of the Companies Act, 2016.

INTERNAL AUDIT FUNCTION

The AC is supported by the Internal Audit Function in the discharge of its duties and responsibilities. Internal Audit Function, as the third line of defence, checks for compliance with statutory/regulatory requirements, internal policies, and procedures and reviews the internal control and governance procedures for adequacy and effectiveness.

In the Financial Year 2024, the Group engaged Salihin Consulting Group Sdn. Bhd. ("SALIHIN"), as Internal Auditor to undertake a Risk Based Internal Audit Consultancy.

The general scope and responsibilities of the Internal Audit Function include but are not limited to, conducting reviews, examinations, and evaluation of the adequacy and effectiveness of the Group's risk management processes, internal control assurance, and corporate governance practices in carrying out assigned responsibilities to achieve the Group's mission and vision.

The total cost incurred by the Internal Audit Function in discharging its functions and responsibilities for the financial year 2024 amounted to RM132,088.18.

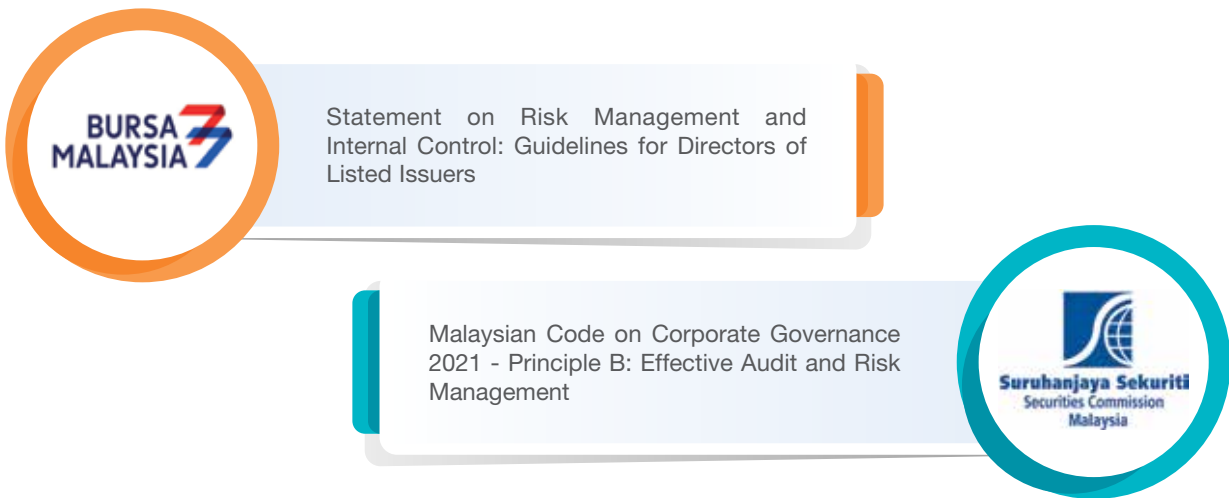
This Statement was approved by the Board of Directors on 14 October 2024.



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control (“Statement”) is prepared in accordance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2021 of Securities Commission Malaysia (“SC”). The Statement details the key aspects of the risk management and internal control system of Sarawak Consolidated Industries Berhad (“the Group”) during the reporting period.

The principles guidelines are outlined as follows:



The Board of Directors (“Board”) is fully dedicated to ensuring a solid and effective risk management framework, along with a reliable internal control system. The Board is tasked with presenting the forthcoming report on Risk Management & Internal Control for the financial year ended 30 June 2024.

This responsibility includes reviewing the adequacy and effectiveness of these systems to safeguard shareholders’ interests and protect the Group’s assets. Although it is not possible to eliminate all risks, the risk management and internal control system is designed to manage the Group’s risk identified within the risk tolerance levels set by the Board and Management, supporting the achievement of the Group’s business objectives.

In acknowledging the importance of a sound risk management and internal control system, the Board has established a governance structure that ensures effective oversight of risks and controls throughout the Group. To support this, the Board is assisted by the Risk Management Committee (“RMC”) and the Audit Committee (“AC”), which have been entrusted with primary oversight responsibilities for the Group’s risk management and internal control systems. Despite these delegations, the Board remains accountable for the governance of risk and for all actions taken by the Board Committees in fulfilling their oversight duties.

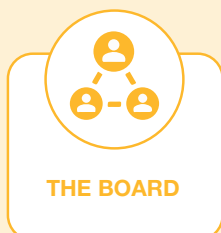
In fulfilling its duty, the Board has implemented a continuous process for identifying, evaluating, and addressing significant risks faced by the Group. This process undergoes regular review to ensure its effectiveness. The Statement provides an overview of the risk management and internal control systems that were in place throughout the financial year under review, extending up to the date of approval for inclusion in the annual report.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RESPONSIBILITY OF THE BOARD, RISK MANAGEMENT AND AUDIT COMMITTEE

The summary of roles and responsibilities was mentioned in the Annual Report in the Corporate Governance Overview Statement section, with the details of responsibilities as follows:



The Board is responsible for reviewing the adequacy and integrity of SCIB's internal control systems, as well as the effectiveness of its management information systems. This review ensures that these systems are robust and capable of supporting the company's operations, while also ensuring compliance with all applicable laws, regulations, rules, directives, and guidelines.

This includes evaluating whether internal controls are sufficient to mitigate risks, protect assets, and ensure the accuracy and reliability of financial reporting.

Compliance with regulatory is to ensure that all systems are designed and maintained in line with industry standards and legal obligations, thus minimizing the risk of regulatory breaches and ensuring operational transparency.



The Board recognizes its responsibility for overseeing the Company's risk management and internal control systems, which are designed to identify and manage business risks in alignment with the Company's objectives. These systems encompass financial, operational, and compliance areas, with a primary focus on protecting the Company's assets and safeguarding shareholders' investments.

To ensure the effectiveness of these systems, the Board, through the Audit Committee ("AC"), Risk Management Committee ("RMC"), and an outsourced internal audit function, actively monitors their adequacy and integrity. This oversight ensures that risks are properly assessed and managed, and that internal controls are functioning as intended.

Further details on the Company's risk management and internal control systems are outlined in the Statement on Risk Management and Internal Control, which is included in the Annual Report.



The Audit Committee's primary responsibilities include conducting a comprehensive review of the Group's quarterly financial results and year-end financial statements. This review focuses on key areas such as changes in accounting policies, significant events, the going concern assumption, and ensuring compliance with relevant accounting standards and legal requirements. The Committee's thorough assessment ensures the accuracy and reliability of financial reporting.

In addition to financial oversight, the Audit Committee evaluates the effectiveness of the Group's risk management, internal control, and governance systems. This assessment is critical to ensuring that SCIB and the Group maintain robust processes for identifying, managing, and mitigating risks.

The Committee also closely monitors any related party transactions and potential conflicts of interest that may arise, ensuring they are properly managed in accordance with governance best practices and legal standards. This vigilance helps maintain the integrity and transparency of the Group's operations.

The Audit Committee regularly reports its findings to the Board, providing recommendations for improvements where necessary and ensuring that both financial and non-financial risks are effectively addressed.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RESPONSIBILITY OF THE MANAGEMENT

The Management is responsible for implementing all policies and procedures in relation to internal controls and risks duly approved by the Board.

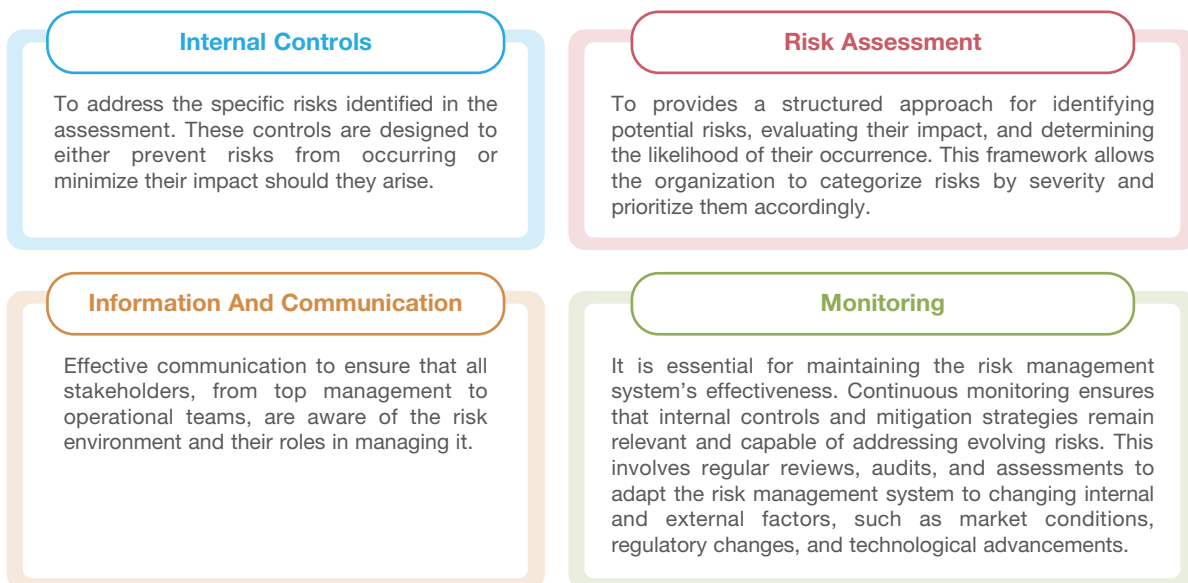
Management’s responsibilities include the following:



RISK MANAGEMENT FRAMEWORK

An effective risk management system is built on a foundation of critical components that work together to ensure that risks are identified, assessed, managed, and continuously monitored. These elements are essential for maintaining the stability and sustainability of an organization, protecting both its assets and the interests of the Company’s shareholders and stakeholders.

The details of the components are as follows:



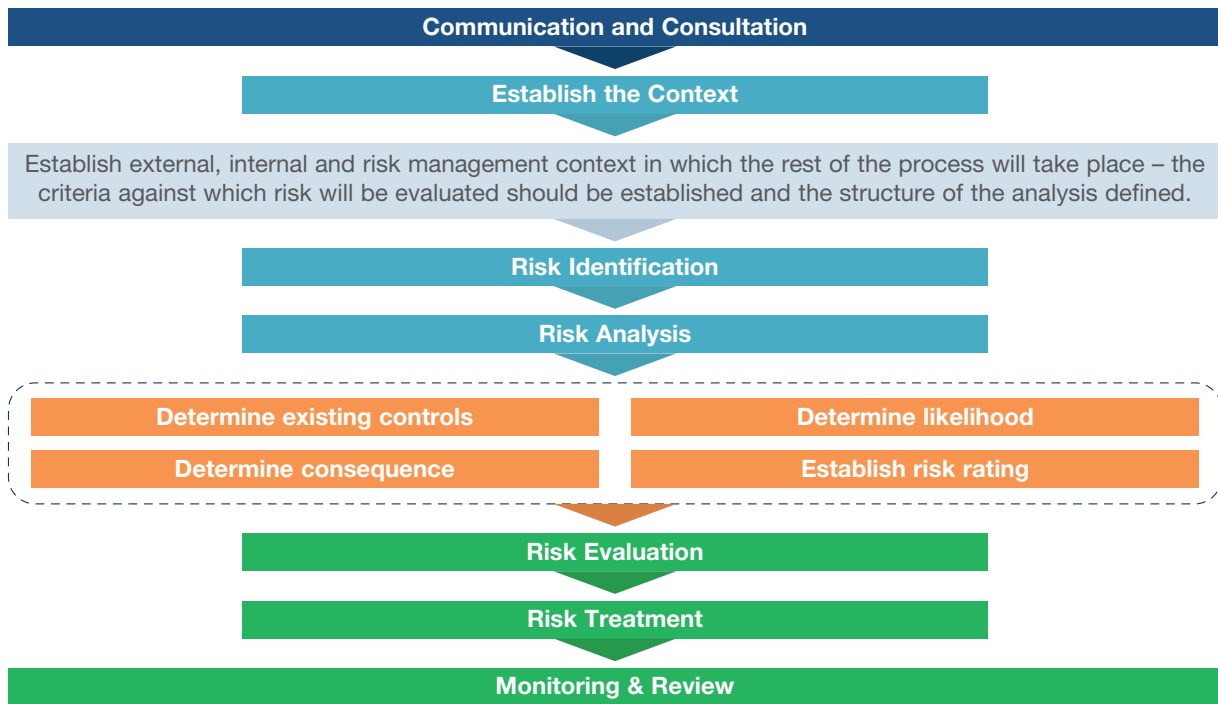
As such, the Board has implemented a Risk Management Framework within the Group in order to minimize the potential for undesired risk exposures for the benefit of shareholders and other stakeholders.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RISK MANAGEMENT FRAMEWORK (cont'd)

The process of risk management as follows:



The details of the process for risk management are as follows:

Communication and Consultation	Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process.
Establish the Context	Establish and evaluate the criteria of the external, internal and risk management context in which the rest of the process will take place and assess which process should be established and also the structure of the analysis are defined.
Risk Identification	Identify where, when, why and how events could prevent, degrade, delay or enhance the achievement of the Group's objectives.
Risk Analysis	Determine consequences and likelihood and hence the level of risk by analyzing the range of potential consequences and how these could occur.
Risk Evaluation	Compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.
Risk Treatment	Develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs.
Monitoring & Review	Monitor the effectiveness of all steps of the risk management process, for continuous improvement.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

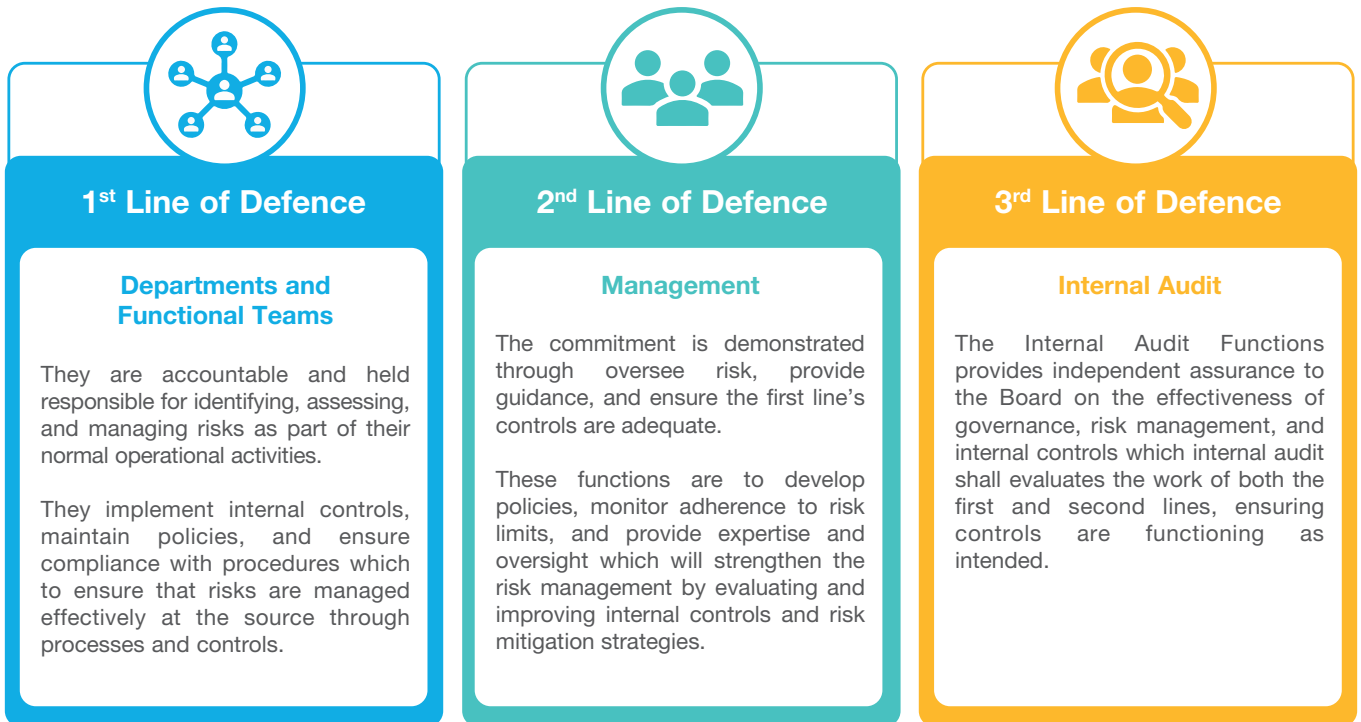
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RISK MANAGEMENT FRAMEWORK (cont'd)

An overview of the Group's overall risk management framework is illustrated in the following:



The governance structure for managing risk profiles establishes a "Three Lines Model" that defines the relationships between different functions and facilitates effective governance and risk management as follows:



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

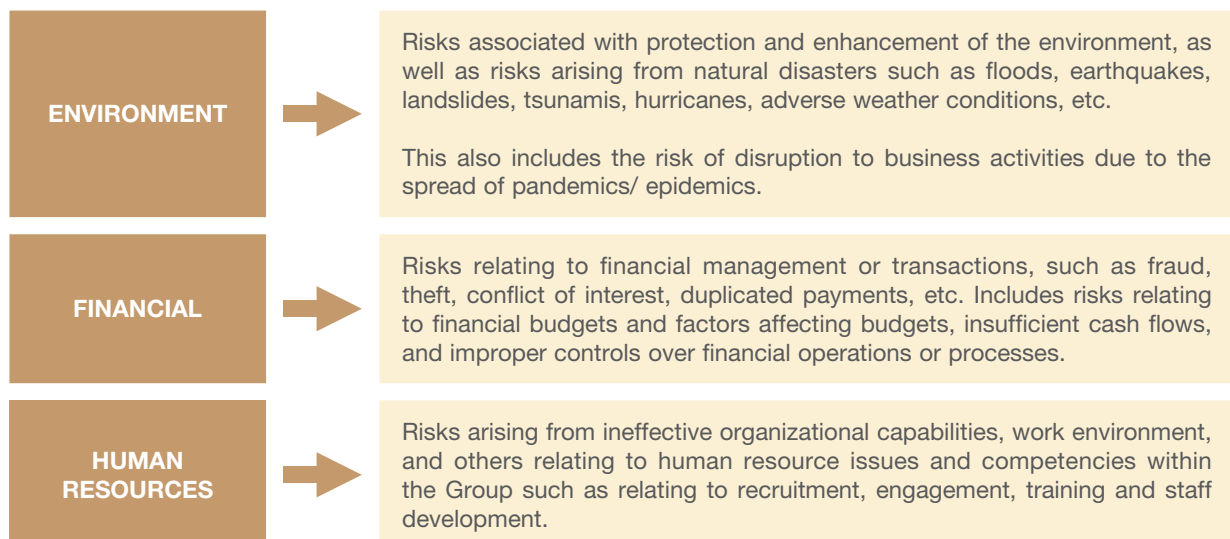
RISK MANAGEMENT FRAMEWORK *(cont'd)*

In addition, the Group has adequate insurance coverage and physical safeguards in place for the Group’s assets to ensure comprehensive protection against any mishap that might lead to significant losses.

The Group’s insurance policies include the following:

Directors and Officers	This policy protects the Group’s directors and officers from personal liability in the event of claims related to their decisions or actions made in their capacity as company leaders. It safeguards them from legal costs, settlements, or damages resulting from lawsuits brought by shareholders, regulators, or third parties.
Fire	Fire insurance is a crucial element of the risk management strategy, providing coverage for damages to the Group’s property and assets in the event of fire, explosions, or smoke damage. This policy ensures that the Group can recover from fire-related incidents with minimal disruption to its operations, preserving business continuity.
Burglary	This coverage provides financial protection against losses arising from theft or burglary of the Group’s physical assets, ensuring the company can recover from such incidents without substantial financial setbacks.
Money	This policy covers the loss or theft of money, whether it’s in transit or stored on the premises. It provides financial security against the risk of cash or valuable securities being stolen, reducing the Group’s exposure to such risks.
Public Liability	This coverage protects the Group from claims made by third parties for bodily injury or property damage that occur as a result of the Group’s operations. It ensures the Group is financially protected from compensation claims, legal fees, and other associated costs.
Group Hospital & Surgical Insurance	This policy offers health coverage for the Group’s employees, ensuring access to medical treatment in the event of illness or injury. It covers hospitalization, surgical procedures, and related medical expenses. By providing comprehensive health insurance, the Group not only supports employee well-being but also helps attract and retain talent, contributing to a stable and productive workforce.









As per the Risk Management Framework, the 13 risk elements shall be incorporated in the Risk Register and profile of the Group as follows:



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

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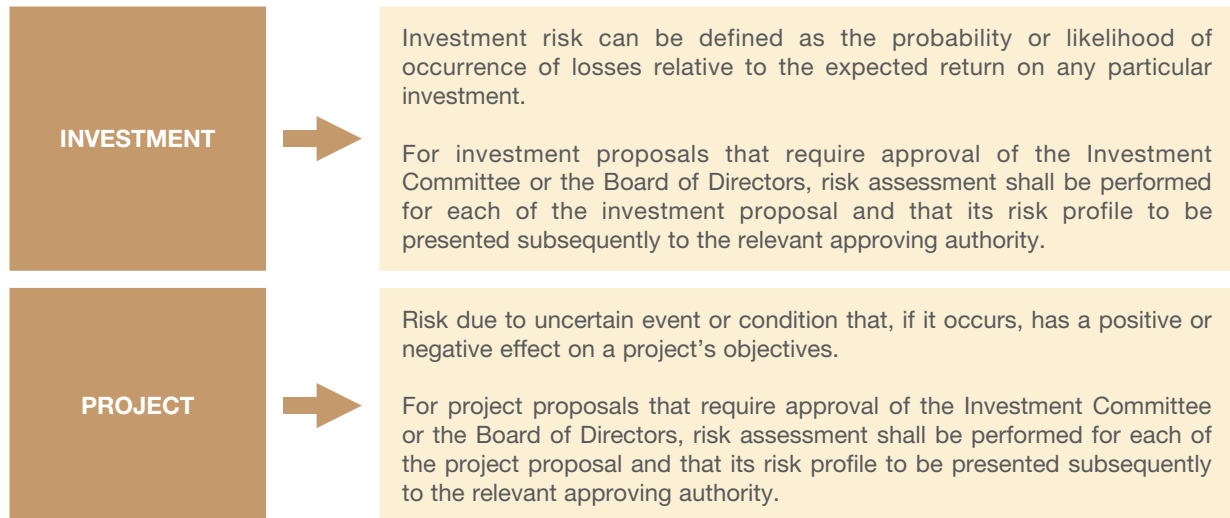
RISK MANAGEMENT FRAMEWORK (cont'd)

INFORMATION TECHNOLOGY		<p>Risks arising from the use and reliance on information by the Group or other external entities, which may impact operations, such as internal systems, external service provider system and internet.</p> <p>Risks relating to the protection of corporate and private information.</p> <p>Risks relating to the security, function or management of technological systems and processes.</p> <p>Risks relating to IT implementation, including mismatch or lack of adequate technology, IT applications and capabilities.</p>
LEGAL, REGULATORY & COMPLIANCE		<p>Risks resulting from non-compliance with internal and external policies, procedures, standards and laws.</p> <p>Risks relating to service and/or product delivery or information or breach of contracts or defaults that result in legal proceedings.</p>
OPERATIONAL		<p>Risks associated with a lack of defined policies, processes, procedures or delegations of authority at a functional or business unit level.</p> <p>Risks associated with culture, organizational structure and communication including supporting system, processes and procedures.</p> <p>Risks resulting from the ineffectiveness of operational processes, legal and / or financial impacts and other shortfalls.</p>
STAKEHOLDER MANAGEMENT		<p>Risks associated with the identification of individuals and organizations with a direct influence on and/or interest in the Group's operations.</p> <p>Risks associated with the need to ensure ongoing and effective communication and consultation with key stakeholders.</p>
MARKET		<p>Risks due to changes or volatility in the market forces affecting the business operation and the Group's competitive position or advantage.</p> <p>Risks relating to the incomplete or total absence or ineffective strategies to position the Group's products and services in the market.</p>
CORRUPTION		<p>Risk which is equated with the set of institutional vulnerabilities within a system or process which might favor or facilitate corrupt practices.</p>
CONSTRUCTION		<p>Risk due to exposure to possible loss associated with the physical (construction) phase of a construction project.</p>
QUALITY		<p>Risk which due to quality that fails to meet quality goals.</p>

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RISK MANAGEMENT FRAMEWORK (cont'd)



In addition, the 15 risk owners incorporated in the risk register of the Group as follows:



As of 30 June 2024, there was one (1) risk owner that has been merged from Business Development (Special Project) to Business Development due to a new strategic direction, the focus will now be on expanding business within the Construction segment.

This expansion will be pursued through more conventional and safer methods, via normal tendering processes such as government tenders (both open and selective) and private tendering. These approaches align with our current business strategy and risk management practices.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL

The Audit Committee assesses the sufficiency and reliability of the Group's risk management and internal control system on behalf of the Board. The Committee, in collaboration with the Internal Auditors, conducts structured and systematic audit reviews in accordance with the guidelines outlined in the International Professional Practice Framework ("IPPF") established by the Institute of Internal Auditors.

The overview of the Group's internal control is illustrated as follows:



The Internal Auditors conducted an audit to evaluate the efficiency of the Group's risk management, internal controls, anti-corruption measures, whistle-blowing procedures, and governance processes, as well as the level of adherence to the Group's operational policies and procedures. Any identified weaknesses or shortcomings in the internal control processes resulting from these audits are reported to the Audit Committee. This role provides valuable insights for the Audit Committee to determine potential corrective measures for enhancing the deficiencies in risk management and control systems.

The Internal Auditors conduct reviews of the Group's financial and operational activities in accordance with an annual plan that is presented to and sanctioned by the Audit Committee. Internal Audit operations are executed impartially, and their reports are submitted directly to the Audit Committee, ensuring independence from the Group's management and the areas they assess.

The key elements framework of the internal control system of the Group are as follows:

NO.	ELEMENT	SEGMENT	DELIBERATION
1	Authority & Responsibility	Terms of Reference	<p>The Board has assigned specific duties to various Board Committees, each with well-defined and approved Terms of Reference that are subject to periodic reviews as necessary.</p> <p>These committees include:</p> <ol style="list-style-type: none"> 1. Audit Committee ("AC"); 2. Risk Management Committee("RMC"); 3. Remuneration and Nomination Committee ("RNC"); 4. Investment Committee ("IC"); and 5. Long Term Incentive Plan Committee ("LTIP"). <p>In addition, a C-Suite Committee ("C-Suite") has been established to ensure the alignment of day-to-day business operations with the corporate objectives, strategies, business plans, and budgets as endorsed by the respective Boards including addressing issues emanating from both the external business environment and internal operational conditions.</p>

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL (cont'd)

NO.	ELEMENT	SEGMENT	DELIBERATION
		Organizational Structure & Limit of Authority	<p>The Group has an organizational structure with clearly defined lines of authority and accountability, ensuring a distinct segregation of functions, roles, and responsibilities to guarantee effective control across various levels of the Group.</p> <p>The Management is entrusted with the implementation of the Group's strategies and overseeing day-to-day operations within the established structural framework.</p> <p>The organizational structure undergoes periodic reviews to adapt to changes in the business environment and stay aligned with emerging trends in new technologies, products, and services.</p> <p>Furthermore, the Group has implemented a Limit of Authority framework, which supports good corporate governance and prudent control of risk and investment management.</p> <p>Under this framework, the Board retains authority over specific matters such as establishing new businesses, approving annual strategic plans, major capital expenditures, significant acquisitions or divestitures, borrowings, and corporate restructuring decisions.</p>
		Level of Authority	<p>The Group has instituted a Level of Authority framework which was endorsed by the Board and will undergo periodic reviews to ensure it accurately represents the authority and authorization levels of Management across all facets of the Group's major business operations and functions.</p> <p>The Level of Authority of the Group clearly outlines which individuals are authorized to initiate, submit, reconcile, view, or approve various types of transactions within the Group.</p>
		Compliance Environment	<p>Each division and business unit within the Group has established an adequate compliance environment by instituting specific and dedicated personnel responsible for overseeing compliance matters related to its respective business and operations.</p> <p>Furthermore, internal audit reviews are conducted at regular intervals to monitor adherence to laws, regulations, procedures, and policies.</p> <p>In addition to these measures, the Head of the Division provides legal counsel to the Board and Management on all legal matters which is supported by the advice from the legal team or external panel lawyer if deemed necessary and plays a central role in ensuring the Group's interests are legally protected and safeguarded.</p> <p>The Board is consistently kept informed through reports whenever new legislation is introduced, there are updates to business terms, or changes occur in existing laws relevant to the Group.</p>

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL (cont'd)

NO.	ELEMENT	SEGMENT	DELIBERATION
2	Planning, Monitoring & Reporting	Budget	<p>The Group has conducted extensive budgeting and forecasting procedures that encompass all its divisions to closely monitor the overall performance of the Group.</p> <p>These budgeting and forecasting activities are thoroughly reviewed and authorized by the Board prior to their implementation.</p> <p>The Finance Division led by the Chief Financial Officer (“CFO”) coordinates and monitors the monthly performance results of the operational units by comparing actual financial performance against the budgeted figures key business indicators, and highlights.</p> <p>These performance results are presented to the Board of Directors on a quarterly basis.</p>
		Performance Review & Measurement	<p>The Group’s performance, inclusive of the budget and forecast, was deliberated with the Board on a quarterly basis where, the Management thoroughly analyses and highlights any discrepancies between the budget and forecast when compared to the actual performance, for notification to the Board for their consideration and further action on potential revise on the budget and forecast based on the insights provided.</p>
		Finance Function	<p>The Finance Function has a responsibility to furnish the AC with assurance that the Group has adopted and consistently applied appropriate accounting policies, the going concern basis applied in the Annual Financial Statements and Condensed Consolidated Financial Statements is appropriate and ensure that prudent judgements and reasonable estimates have been made in accordance with the requirements outlined in the established and adopted Financial Reporting Standards.</p> <p>The financial performance and liquidity position of the Group are closely monitored through quarterly reports.</p>
		Employees’ Competency	<p>The Group’s objectives and plans are regularly communicated to ensure that all employees receive clear and effective guidance.</p> <p>Additionally, training and development programs are identified and scheduled for employees to acquire the required knowledge, skills, and core competencies.</p>

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL (cont'd)

NO.	ELEMENT	SEGMENT	DELIBERATION
3	Policies & Procedures	Standard Operation Policies & Procedures	<p>The Group has internally developed a comprehensive set of policies and procedures.</p> <p>These policies and procedures are designed to support the Group's internal control framework, ensuring compliance with both internal controls and relevant laws and regulations. Each of the policies is published on the Company's website.</p> <p>They undergo periodic reviews and updates throughout the year in response to changes in operational needs, alterations in the business environment, or shifts in regulatory requirements.</p> <p>Approval for these updates is sought from the Board, relevant board committees, or management committees.</p> <p>These policies and procedures encompass standard operating practices and guidelines, which pertain to operational planning, capital expenditure, protection of assets from unauthorized use or disposition, maintenance of financial and accounting records, reporting systems, and monitoring of the Group's businesses and performance.</p> <p>The Executive Directors play active role in the Group's business operations, including participation in operational and management-level meetings to ensure ongoing monitoring and adherence to the Group's policies and procedures.</p>
		Employees' Code of Conduct	<p>The Employees' Code of Conduct is readily available to all employees, and they are obligated to strictly adhere to it as it is crucial for maintaining a high level of discipline and fostering a positive attitude while carrying out their responsibilities.</p> <p>All employees bear the responsibility of upholding and practicing the Code of Conduct as an integral part of their commitment to achieving the Group's overall objectives.</p> <p>The Code of Conduct serves as a guiding document for employees, promoting discipline and a positive mindset as they perform their duties.</p>

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL (cont'd)

NO.	ELEMENT	SEGMENT	DELIBERATION
4	Audit	Whistleblowing Policy, Code of Conduct, Anti-Corruption and Bribery Policy	<p>The Group is unwavering in its commitment to conducting its business and operations with the highest ethical, moral, and legal standards. To reinforce this commitment, the Group has established several key policies, including the Whistleblowing Policy, Code of Conduct, and Anti-Corruption and Anti-Bribery Policy.</p> <p>These policies are reviewed regularly and have received approval from the Board for any updates, if any and serve as channels through which employees or external parties can safely and confidentially report any breaches or suspected breaches of laws, regulations, business principles, or the Group's internal policies and guidelines.</p> <p>These policies are readily accessible on the Group's website, ensuring transparency and ease of reference for all stakeholders.</p>
		Internal Audit	<p>The Internal Audit function holds the responsibility of identifying any instances of non-compliance with policies, procedures, regulations, and standards.</p> <p>In the event of any irregularities or significant findings, the Internal Audit function promptly reports them to the AC, along with recommendations for corrective actions.</p> <p>It is the responsibility of the Management to oversee and ensure that these recommended corrective actions are implemented within the specified time frame.</p>
		External Audit	The External Auditors present their comprehensive plan to AC for deliberation and approval, which includes planned audit services, recurring non-audit services, and non-recurring non-audit services.
		Certification Audit	The audit was conducted on a scheduled basis by Certification Bodies to secure ongoing certification from both local and international accrediting organisations.
		Audit Committee	The Audit Committee reviews the audit findings reported by both the Internal Auditors and External Auditors to assess the adequacy and effectiveness of the risk management and internal control systems.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

B. INFORMATION AND COMMUNICATION

Performance Review

Regular and comprehensive information is provided by the Management to monitor its performance against the strategic business plan and the annual budget approved by the Board. This information covers all key financial and operational indicators as well as key strategic initiatives undertaken by the Group during the year.

Whistleblowing Policy

The Whistleblowing Policy is intended to directly support the Company's Core Values, Code of Ethics and Governance requirement, which was established in 2020.

It is an avenue to encourage and enable employees and others to raise legitimate concerns to be objectively investigated and addressed within the Company prior to seeking resolution outside the Company. The policy provides a primary designated whistleblowing channel, namely whistleblowing@scib.com.my.

The Policy defines the mechanism and framework by which employees, contractors, consultants, and any other individuals or organizations who have dealings with the Company can confidently voice concerns/complaints in a responsible manner without fear of discriminatory treatment.

Risk Management Reporting

A comprehensive risk management framework has been implemented to support the Group's internal control monitoring, which to ensure the incidents are escalated and handled according to their severity levels.

Hence, periodic monitoring and progress updates are conducted until full resolution, enabling decision-makers to stay informed, remain up to date on developments, and effectively manage risks throughout the process.

C. MONITORING

Board Committees

The Board has established various committees to assist in fulfilling its oversight responsibilities. Each committee is delegated specific duties and is tasked with reviewing and addressing matters within its defined scope, as outlined in their respective Terms of Reference ("TOR").

The Board Committees include the following:

- Audit Committee;
- Remuneration and Nomination Committee;
- Risk Management Committee;
- Investment Committee; and
- Long Term Incentive Plan Committee.

Credit Control Committee

The Credit Control Committee ("CCC") shall review all significant credit applications received from customers for the Group and assess the creditworthiness of the individual customer and set the relevant credit period and credit limits.

CCC shall consist of not less than three (3) members and the Chairman of the CCC shall be the Managing Director/ Chief Executive Officer.

Meetings shall be held whenever necessary or on an ad hoc basis as and when the circumstances dictate.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

C. MONITORING *(cont'd)*

C-Suite Committee

The members of the C-Suite Committee (“CSC”) shall be appointed by the Board that shall consist of not less than three (3) members and the Chairman of the CSC shall be the Managing Director/ Chief Executive Officer.

The CSC is authorized by the Board to approve transactions or activities that are beyond the individual discretionary powers of senior management personnel as per the approving authority limits as stipulated in the relevant policy manuals of respective operating units.

The CSC shall make high-stakes or critical decisions collectively to ensure proper execution of the day-to-day operations and financial management. Resolutions, proposals and matters tabled for approval at any meeting of the CSC shall be decided by a simple majority of the members present. The method of group decision-making is based on the principle of voting, which means that a decision is made on the basis of voting. In the event of differing or diverse views, opinions, or perspectives, the decision of the majority votes shall prevail and be taken.

Meetings may preferably be on a monthly basis or whenever necessary or on an ad hoc basis as and when the circumstances dictate.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In compliance with Paragraph 15.23 of Listing Requirements of Bursa, the External Auditors have performed a limited assurance engagement on the Statement of Risk Management and Internal Controls included in this Annual Report.

The review was conducted in accordance with the Audit and Assurance Practice Guide 3 (AAPG 3), issued by the Malaysian Institute of Accountants (MIA). AAPG 3 provides guidance for auditors reviewing the Statement on Risk Management and Internal Control for the fiscal year ended 30 June 2024.

The External Auditors have reported to the Board that, based on their review, there were no issues that would suggest the Statement is materially inconsistent with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. They also did not find any factual inaccuracies in the Statement.

However, it is important to note that AAPG 3 does not require the External Auditors to assess whether the Directors’ Statement comprehensively addresses all risks and controls, nor do they form an opinion on the overall adequacy and effectiveness of the Group’s risk management and internal control systems. Such responsibilities are retained by the Board of Directors and Management.

RISK MANAGEMENT ASSURANCE AND REVIEW

The Group Managing Director/Chief Executive Officer (“GMD/CEO”) and the Executive Director/ Chief Financial Officer (“ED/CFO”) have confirmed to the Board and the Audit Committee that the Group’s risk management and internal control systems are operating effectively and efficiently in all significant aspects. This assurance supports the Group’s ability to achieve its business objectives.

After a comprehensive review of the risk management and internal control framework, and considering the assurances provided by the management team, the Board is satisfied that the system in place is robust. It effectively protects shareholders’ investments and the Group’s assets.

The Group remains committed to identifying, assessing, and managing significant risks while continuing to enhance the internal control and risk management framework to ensure it meets its strategic objectives and adapts to evolving challenges.

This Statement was approved by the Board of Directors on 14 October 2024.

ADDITIONAL COMPLIANCE INFORMATION

As at 30 June 2023

1. Audit Fees and Non-Audit Fees

The amount of audit and non-audit fees paid or payable to the External Auditors by the Group and the Company for the financial year ended 30 June 2024 are as follows:

SERVICES	COMPANY (RM)	GROUP (RM)
Audit Fees	85,000	308,844
Non-Audit Fees	13,000	13,000

Services rendered by the External Auditors are not prohibited by regulatory and other professional requirements and are based on globally practiced guidelines on auditors' independence.

2. Utilisation of Proceeds from Corporate Proposal

As of the financial year ended 30 June 2024, the Company has not awarded/granted any shares or options under the Long Term Incentive Plan ("LTIP"). As such, there were no proceeds raised from the LTIP during the financial year ended 30 June 2024.

3. Material Contracts or Loans with Related Parties

No material contracts or loans were entered by the Company and its subsidiaries involving Directors and major shareholders' interest either subsisting at the end of the financial year or entered into since the end of the previous financial period.

4. Recurrent Related Party Transactions

At the 47th Annual General Meeting of the Company held on 11 December 2023, the Company did not propose renewal or new shareholders mandate for recurrent related party transactions.

5. Employee Share Options Scheme ("ESOS")

The Company obtained approvals from the shareholders for the Proposed LTIP at the Extraordinary General Meeting held on 27 March 2024. The effective date for the implementation of the LTIP was 24 July 2024. As of the financial year ended 30 June 2024, the Company has not awarded/granted any shares or options under the LTIP.





4

SUSTAINABILITY

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

This Sustainability Statement contains information about the Group's sustainability goals, strategies, and initiatives aimed at achieving those goals. It also outlines the value created from our sustainability journey at SCIB Group. These efforts aligned with our corporate vision "to be a Company founded on excellence".

SUSTAINABILITY MISSION

Our Sustainability Vision is to improve the quality of life of the broader community by operating responsibly and recognizing the central role business plays in society. Together with the Company's vision "to be a Company founded on excellence", our Special Mission is to operate the Company in a way that actively recognizes the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of a broad community.

REPORT PERIOD AND CYCLE

This Sustainability statement encompasses our ESG performance for the financial year ended 30 June 2024. The Sustainability Statement discloses some historical data deemed relevant to show the trends for the readers to comprehend the sustainability achievement of the Group better.



GOVERNANCE STRUCTURE

The Board of Directors is dedicated to our sustainability journey and is primarily responsible for implementing and executing the Group's sustainability practices and performance, providing oversight for the Group's sustainability practices. The Board is regularly informed about the progress of sustainability-related matters, delegating to the Board Risk Management Committee and Risk Management Working Group ("RMWG") to set direction and focus on formulating strategies for meeting sustainability goals. The RMWG also monitors and assesses the sustainability plans and targets and reports to the Board on a half-yearly basis, or whenever necessary, on the status of sustainability-related matters.

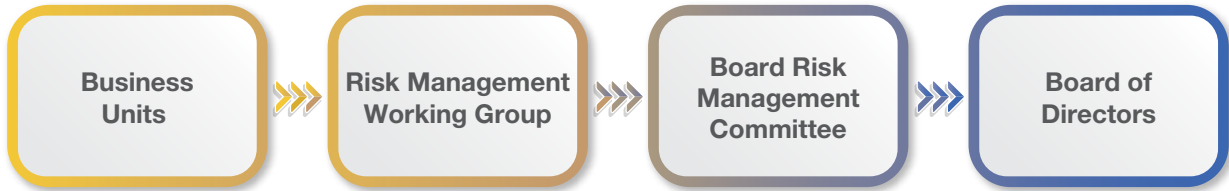
Recognizing that risk management is correlated to overall sustainability performance, our sustainability agenda is driven within our governance structure through the Board Risk Management Committee and RMWG, which identify sustainability issues or sustainability-related risks. The RMWG is led by the Chief Executive Officer and includes a management team from all of the Group's business units. The RMWG manages the identified sustainability issues and reports to the Risk Management Committee at the Board level.

We will constantly review our approach to addressing the primary sustainability challenges affecting SCIB, including its employees, customers, the environment, and society.

SUSTAINABILITY STATEMENT

(CONT'D)

SCIB's sustainability governance structure is shown below:



	Roles and Responsibilities	
	Members	Function
Board of Directors	Directors of SCIB	<ul style="list-style-type: none"> Oversight of the Sustainability goals set and implementation and execution of the sustainability efforts and practices; Approve Sustainability-related policies; and Approve Sustainability framework and structure.
Board Risk Management Committee	Risk Management Committee Members	<ul style="list-style-type: none"> Assist the Board in overseeing the development of SCIB's sustainability strategy, implementation and performance; Review the effectiveness of the risk management and internal control policies for sustainability; Set direction and focus on facilitating the formulation of strategies for meeting sustainability missions; and Report to the Board on the status of sustainability-related matters.
Risk Management Working Group	<ul style="list-style-type: none"> Group Managing Director/ Chief Executive Officer Group Executive Director/ Chief Financial Officer Chief Operating Officer Head of Corporate Services General Manager, Business Development General Manager, Project Management Human Resource & Administrative Manager Quality, Health, Safety & Environment officer 	<ul style="list-style-type: none"> Establish sustainability plans and targets; Assess and monitor sustainability efforts progress against targets set; and Review and recommend the Sustainability Report to the Board Risk Management Committee and the Board for approval.
Business units	All the heads of departments for the following segments; <ul style="list-style-type: none"> Manufacturing Segment EPCC Segment 	<ul style="list-style-type: none"> Identify possible Sustainability initiatives, opportunities and risks and propose improvement plans to support sustainability goals; Manage day-to-day operations to ensure align with the Sustainability goals set; and Prepare, collect and submit sustainability-related data for the Risk Management Working Group on a quarterly basis and/or when requested.

SUSTAINABILITY STATEMENT

(CONT'D)

SCIB SUSTAINABILITY FRAMEWORK



SUSTAINABILITY STATEMENT

(CONT'D)

REPORT SCOPE AND BOUNDARY

This report covers the operations, activities, and sustainability performance of Sarawak Consolidated Industries Berhad (“SCIB”) and its active subsidiaries in Malaysia unless otherwise stated. Our reporting scope includes the manufacturing segment and the construction/EPCC segment in Malaysia, which are the key drivers and contributors to the Group’s revenue. This report excludes all outsourced activities and operation, associate company and unless otherwise mentioned. It highlights some of our challenges and the corresponding action plans to address the sustainability-related issues and opportunities. SCIB has identified its initial sustainability approach and will continue to explore and pursue ways to improve its sustainability practices and performances across our business operations.

SCIB is conscious of the ESG impacts from its value chain and is committed to promoting its Sustainability agenda and practices to its stakeholders, including its external business partners, vendors, and subcontractors. This would include future plans to assess the ESG performance of our vendors and subcontractors. However, SCIB acknowledges the challenges, it would face in data collection and would need to enhance its data tracking and collection system moving forward.

For more information about the group’s outlook and future ESG prospects, readers may read the Sustainability report together with the Group Management Discussion and Analysis report of this Annual Report 2024.

FORWARD-LOOKING STATEMENTS

The SCIB Sustainability report may contain forward-looking statements about the group’s future plans, goals, forecasts, and targets based on reasonable assumptions about current operational situations. Forward-looking information is subject to risks and uncertainties that may cause the actual results to differ materially, and thus, we advise readers not to rely solely on it.

GUIDANCE

The Sustainability Report was approved by the Board of Directors (“Board”) on 14 October 2024. The information reported for the financial year 2024 was guided by the Bursa Malaysia Sustainability Reporting Guidelines and Toolkits, and it also made references to the Sustainable Development Goals (“SDGs”), United Nations Global Compact (“UNGC”), and Global Reporting Initiatives (“GRI”) standards 2021.

ASSURANCE

Salihin Consulting Group has reviewed this Sustainability Statement under the scope set out in the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“BMSB”) with respect to the Enhanced Sustainability Disclosures for inclusion in the annual report of the Company for the financial year ended 30 June 2024, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Company, in all material aspects, has not been prepared in accordance with the disclosures required under the updated Sustainability Reporting Guide issued by BMSB or is factually inaccurate.

REPORT DISTRIBUTION

Our Sustainability Report is accessible and downloadable from our corporate website at <http://www.scib.com.my/>

SUSTAINABILITY STATEMENT

(CONT'D)

FINANCIAL YEAR 2024 SUSTAINABILITY HIGHLIGHTS

ECONOMIC



RM166,624,173
Revenue



RM4,825,607
of Profit After Tax



RM21,307,586
Cash and Cash Equivalents



All our products are certified with Quality Management System ISO9001:2015 by SIRIM QAS and NIOSH.

Our subsidiary companies were awarded ISO 45001:2018 Occupational Health & Safety Management System ("OHSMS") certification and ISO 14001:2015 Environmental Management System ("EMS") certification by NIOSH Certification.

ENVIRONMENTAL



Scope 1 emissions: 717.40 tCO₂e;
Scope 2 emissions: 1,064.05 tCO₂e

(reference: DEFRA 2023 and Peninsular Malaysia Energy Commission 2021 Grid EF by the Malaysia Green Technology Corporation.)



Zero
Environmental contamination

SOCIAL



327
Total employees



1620
hours of employee training



Zero (0)
workplace fatalities



Two (2)
Lost Time Injury

All Injury Frequency Rate (**AIFR**)

FY2024	VS	FY2023
0.67		1.22

Dust Load - Achieved

FY2024	VS	FY2023
0.048 g/Nm ³		0.038 g/Nm ³

SUSTAINABILITY STATEMENT

(CONT'D)

SCIB's Board Approved Sustainability Framework

SCIB is a civil engineering specialist focused on Engineering, Manufacturing, Construction, and Commissioning ("EMCC") jobs. We continue to have a strong presence in the manufacturing of building materials and operate three factories in Kuching, Sarawak—one in Pending Industrial Estate and two (2) in the Demak Laut Industrial Park. SCIB offers its clients a one-stop solutions provider with a wide range of products coupled with in-depth expertise. We have an in-house design team that provides professional technical consultation and customized solutions.

At SCIB, we value global and national efforts to promote sustainable development. We are committed to aligning our business strategy and sustainability initiatives towards achieving our sustainable development goals, which reflects our dedication to conducting a safe, healthy, and environmentally friendly business for our workforce and workplace, at home or abroad, including the sites where we operate, with emphasis on the environmental, social and governance aspects.

These initiatives are our way of demonstrating the Group's responsibility to operate in a way that recognizes the central role that businesses play in improving the quality of life for a community.

Environmental	Application	Page reference
Sustainable Development Goals	SDG 9: Industry, Innovation And Infrastructure	Page 99 - 103, 105
	SDG 12: Responsible Consumption and Production	Page 95 - 99, 100 - 103
	SDG 13: Climate Action	Page 95 - 105
	SDG 6: Clean Water and Sanitation	Page 99, 102 - 105
UN Global Compact	Principle 7: Businesses should support a precautionary approach to environmental challenges	Page 95 - 105
	Principle 8: Undertake initiatives to promote greater environmental responsibility	Page 95 - 105
	Principle 9: encourage the development and diffusion of environmentally friendly technologies	Page 100 - 105
GRI	GRI 302: Energy 2016	Page 100, 102 - 103, 105
	GRI 305: Emissions 2016	Page 96 - 98, 103 - 104
	GRI 306: Effluents and Waste 2016; Waste 2020	Page 102 - 103
Social	Application	Page reference
Sustainable Development Goals	SDG 8: Decent Work and Economic Growth	Page 110 - 115
	SDG 11: Sustainable Cities & Communities	Page 95, 98, 100, 102 - 103
	SDG 5: Gender equality	Page 106, 118, 120 - 122, 129
	SDG 10: Reduced Inequalities	Page 106, 121 - 122, 129
UN Global Compact	Principle 1: Human Rights- Businesses should support and respect the protection of internationally proclaimed human rights	Page 106, 122
	Principle 2: Human Rights: Make sure that they are not complicit in human rights abuse	Page 106, 122
	Principle 6: the elimination of discrimination in respect of employment and occupation	Page 106, 122
GRI	GRI 401: Employment 2016	Page 106, 110, 115 - 122
	GRI 402: Labour/ Management Relations 2016	Page 106, 115 - 122
	GRI 403: Occupational Health & Safety 2018	Page 110 - 115
	GRI 404: Training and Education 2016	Page 103, 107, 109, 114 - 115, 122, 124
	GRI 405: Diversity and Equal Opportunity	Page 106, 120, 122, 129
	GRI 406: Non-Discrimination	Page 106, 116 - 117, 122, 129
	GRI 410: Security Practices	Page 122, 126, 133
	GRI 413: Local Communities 2016	Page 106 - 107, 110, 121 - 124, 132

SUSTAINABILITY STATEMENT








(CONT'D)

Economic & Governance	Application	Page reference
Sustainable Development Goals	SDG 16: Peace, Justice and Strong Institution	Page 125, 129 - 130
UN Global Compact	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Page 122, 125, 129 - 130, 132
GRI	GRI 201: Anti-Corruption	Page 130, 132
	GRI 204: Procurement Practices	Page 132
	GRI 416: Customer Health & Safety	Page 127 - 129
	GRI 418: Customer Privacy	Page 133

KEY STAKEHOLDERS' ENGAGEMENT

We recognize the importance of engaging with stakeholders, given their importance to the Group's performance. We continue to strengthen engagement with them to not only ensure good corporate governance but also enable us to understand their needs, interests, and motivations more effectively and help us build positive and mutually beneficial long-term relationships that can improve the Group's brand image, reputation and business outcomes. Our priority is to create value for all stakeholders by understanding and managing their expectations. In this regard, we welcome all suggestions and comments from stakeholders. Any queries and feedback can be sent to scib@scib.com.my.

Our existing list of engagement activities is as follows:


Key Stakeholders	Nature of Engagement	Key Stakeholders	Nature of Engagement
Customers 	Customer surveys and customer complaints	Bankers/Financiers 	Periodic meetings
Employees 	Monthly assembly, in-house briefing, staff recreational programmes, employee satisfaction surveys	Government Agencies and Regulatory Authorities 	Correspondences, trainings and social activities
Suppliers 	Periodic meetings and visits	Community 	Corporate Social Responsibility activities
Shareholders and Investors 	Company website, Quarterly reporting, Annual General Meeting, Regular Analyst briefing, Analyst reports		

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIALITY ASSESSMENT


We have identified a list of 14 key sustainability matters which were selected through discussions with the Risk Management Working Group committee, by taking into consideration the risks, opportunities and expectations from our stakeholders, industry, regulators and national ESG efforts and requirements. The selected material matters were aligned to Bursa Malaysia’s Enhanced Sustainability Disclosure requirement on common sustainability matters. Further, we also conduct a materiality assessment to determine and prioritize areas for focus from both the Company and stakeholder perspectives. We have broadly categorised the following key sustainability matters on the matrix along the two axes: Importance to SCIB Group in terms of the significance of SCIB’s sustainability impacts and importance to our stakeholders based on influence on their assessments and decisions.

Key Material Sustainability Matters	Anticipated Impacts on the Group’s Business	Potential Risk	Potential Opportunity
 Environmental			
Investment in Technology and Research and Development	Investment in off-site precast manufacturing and prefabricated industrialised building systems (IBS) reduces debris, waste and air pollution at the site. Investment in research and development helps us to continuously source for environmentally friendly manufacturing solutions.	Not keeping up with new technologies in manufacturing can leave a company vulnerable to being overtaken by competitors.	Technology expedites the production process, increases efficiency, and creates long-term cost savings and competitive advantage over competitors.
Waste, Energy and Water Management	Efficient waste management, recycling, and energy-saving programmes help to protect the environment from further harm.	Irresponsible production can lead to environmental harm and potential legal non-compliance.	Efficient use and management of resources can reduce operating costs.
Climate Change and Carbon Emissions	Effective management of carbon emissions helps reduce the impact of greenhouse gas emissions into the atmosphere, avoiding the long-term effects of global warming and disastrous climate change. This improves human health and prevents economic losses from higher energy costs associated with carbon emissions.	Delayed transition to low-carbon operations can result in missed opportunities in the low-carbon economy.	Contribute to the Global climate agenda.



SUSTAINABILITY STATEMENT


(CONT'D)

Key Material Sustainability Matters	Anticipated Impacts on the Group's Business	Potential Risk	Potential Opportunity
 Social			
Employee Health, Safety and Welfare	Safe workplaces and practices reduce the risk of accidents and injuries, claim costs, and business interruptions. They also help improve corporate reputation and increase employee motivation. Healthy lifestyles and staff welfare are conducive to enhancing work commitments, increasing productivity, and reducing costs.	Poor health and an unsafe environment can lead to legal non-compliance costs, loss of staff morale, operational inefficiency, and reputational damage.	Improve productivity, employee retention, and regulatory compliance.
Human Resource Development	Continuous staff training and development are crucial to improving staff competency and work efficiency, retaining talent, and attracting new talent, which will improve productivity and enhance overall financial performance.	Lack of training can negatively impact work performance and productivity, affecting financial performance.	Improve staff performance and work efficiency and help with staff retention.
Labour Practices and Standards – Human Rights and Diversity	People are crucial for business sustainability and the most valuable assets of the Group. Respecting and protecting human and labour rights helps to promote a harmonious working environment and enhances corporate image for corporate success and economic growth.	Breach of labour practices, human rights violations, and a lack of diversity can result in discrimination issues, legal non-compliance costs, and reputational damage.	Foster an inclusive culture to improve corporate image.
Community Support	As responsible corporate citizens, social contributions to the community are crucial for a better future for the generations that come after and build bridges that enhance ties between the business and the community.	Deprived local community needs support, which can affect the overall economic development.	Strong community connections improve business prospects by creating a corporate image of responsible citizenship.



SUSTAINABILITY STATEMENT


(CONT'D)

Key Material Sustainability Matters	Anticipated Impacts on the Group's Business	Potential Risk	Potential Opportunity
 Economic & Governance			
Product and Service Quality	Stringent quality control of our finished products and value-added services is essential to maintaining customer satisfaction and brand image, which in turn attracts new sales.	Poor product and service quality can result in loss of customers and loss of brand reputation.	Gaining customer confidence and improving financial performance will contribute positively to the development of the economy.
Corporate Governance and Risk Management	Strong corporate governance and an effective risk management system help to improve the Group's financial stability and minimise risk of loss and gain shareholders' confidence.	Weak corporate governance can lead to legal non-compliance issues and reputational damage.	Build trust and gain support from the stakeholders with robust corporate governance.
Anti-Bribery and Anti-Corruption	Bribery and corruption harm businesses by undermining good governance, damaging reputations, and resulting in financial loss. Adequate prevention procedures will promote and drive long-term sustainable growth while considering the interests of investors and all other stakeholders.	The occurrence of corruption, bribery, money laundering and fraud can lead to reputational damage.	Build trust and gain support from stakeholders by conducting business with integrity and transparency.
Stakeholder Engagement	Strong Stakeholder relationships help a company build a good reputation, trust, and brand recognition. A good reputation improves recognition and represents people's perception of the Group's customer service and reputation, which creates stakeholder trust, supports advertising, inspires employees, generates new customers, and thus increases financial value. Effective shareholder engagement is also essential for investor relations, understanding investors' expectations, building trust, loyalty, and financial viability.	Poor stakeholder' relationships can lead to misaligned goals and dissatisfaction.	Build trust and gain support from stakeholders by conducting business with integrity and transparency.



SUSTAINABILITY STATEMENT

(CONT'D)

Key Material Sustainability Matters	Anticipated Impacts on the Group's Business	Potential Risk	Potential Opportunity
 <h2>Economic & Governance</h2>			
Business Ethics	Applying ethical values in business enables the Group's leadership to make socially acceptable strategic decisions. Business ethics increase employee retention, attract investors, promote customer loyalty, reduce business risks, and lead to long-term gains.	Lack of ethics in business can disrupt stakeholders' relationships.	Build stakeholder's trust and gain confidence and support from stakeholders.
Supply Chain and Procurement	Fair and unbiased business policies and ethical procurement procedures and practices are crucial to promote trust and transparency within the supply chain. Good relationships with key stakeholders across the supply chain will ensure lower cost, more competitive pricing and better margin.	Disruption in supply chain can lead to raw material issues and operational loss.	Well-managed supply chains ensure uninterrupted production, leading to consistent economic growth and business sustainability.
Data Privacy and Security	Preventing data and security breaches is crucial and must not be compromised, as the ramifications can be severe. The primary purpose of data privacy and security is to protect organisational data, which contains trade and customer information, from unauthorised access, destruction, corruption, modification, theft and disclosure.	Leaking of private and confidential data can result in data breaches, reputational damage, business continuity issues, loss of customers, legal and compliance problems, and financial implications.	Build stakeholder's trust and gain confidence and support from stakeholders.

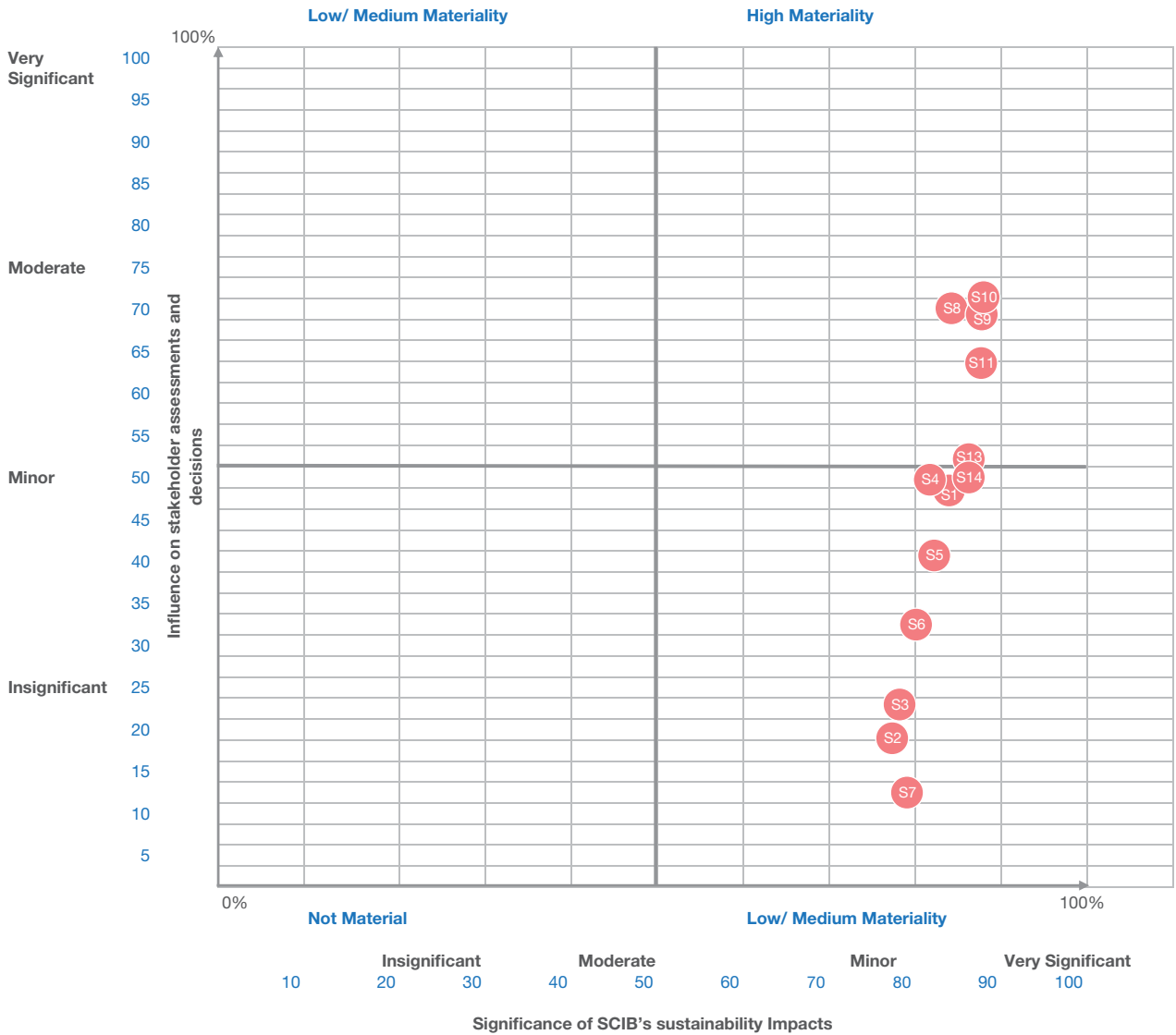


SUSTAINABILITY STATEMENT

(CONT'D)

Materiality Matrix

Sustainability Materiality Matrix for SCIB



The top right quadrant highlights the sustainability topics that are most important to our stakeholders and the Group. The materiality assessment aims to gain insights of the stakeholders' interests and concerns in order to prioritize our Environmental, Social and Governance ("ESG") efforts and initiatives to address the stakeholders' needs effectively.

SUSTAINABILITY STATEMENT

(CONT'D)

ENVIRONMENTAL



In response to the global initiative for achieving net-zero carbon emissions by 2050, SCIB has taken actions in the fight against climate change. SCIB begins to monitor and track the operational emissions and energy and resource consumption acknowledging that everyone plays a role to mitigate the potential and actual impacts of climate change. As a responsible corporate citizen, it is important to cooperate with industry peers and the government to minimize this impact on our operations, supply chain, and stakeholders. Our goal is to ensure that we do not compromise the needs of future generations.

We are compelled to integrate sustainable principles into project delivery, given the extent to how construction of buildings affects the environment. As a result, we are always striving to embrace sustainable approaches in our planning, building design, construction, operations and maintenance processes and practices. Our main focus is on energy reduction, conservation of natural resources, reduction of solid waste and improvement of ecosystems wherever feasible. In the face of climate change, we take precautionary and preventive action when necessary to prevent environmental harm.

We implemented the Environmental Quality Monitoring Program which sets out the standard operating procedures (“SOP”) for our factories and construction sites. All project sites must comply with regulations as stipulated by the Department of Environment (“DOE”), local municipal, councils and other authorities for air, water, noise as well as sewage.



SUSTAINABILITY STATEMENT

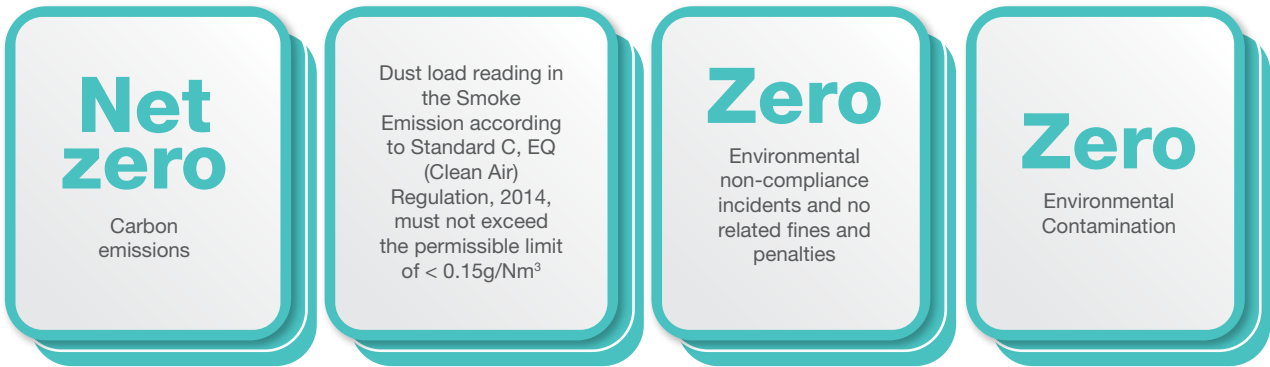
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We have also adopted measures to manage our emissions in compliance with the ISO 14001:2015 standard such as reducing the use of diesel-powered vehicles/ machineries, introducing the use of energy-efficient light bulbs such as the LED which requires less power to produce a desirable level of brightness.

SCIB ensure compliance with relevant environmental laws, rules and regulations and appropriate standards by the regulatory authorities such as the Department of Environment (“DOE”) in Malaysia. At SCIB, we actively address current or potential environmental issues/ negative impacts on the environment. This include monitoring, devising and implementing mitigation action plans. In doing so, we ensure our employees undergo training to equip them with the necessary skills and knowledge to understand the environmental aspects of protecting the environment from harm.

Our Key Targets and Achievements

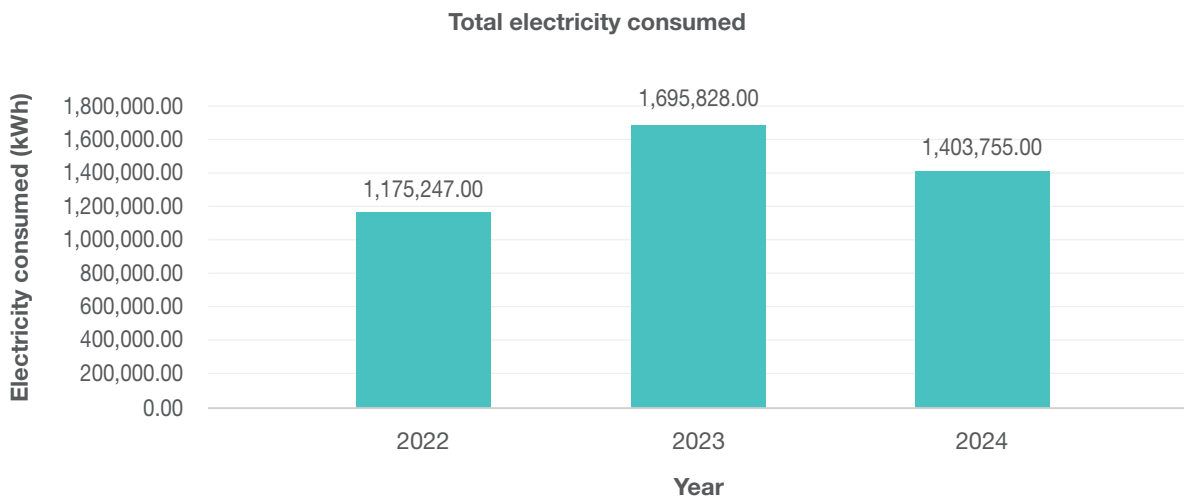
Our Key Targets



Our Progress and Achievements

Remarks: For the purposes of this report, ‘Year 2022’ is defined as the period from 1 July 2021 to 30 June 2022. Similarly, ‘Year 2023’ refers to the period from 1 July 2022 to 30 June 2023, and ‘Year 2024’ encompasses 1 July 2023 to 30 June 2024

1. Total Electricity Consumed



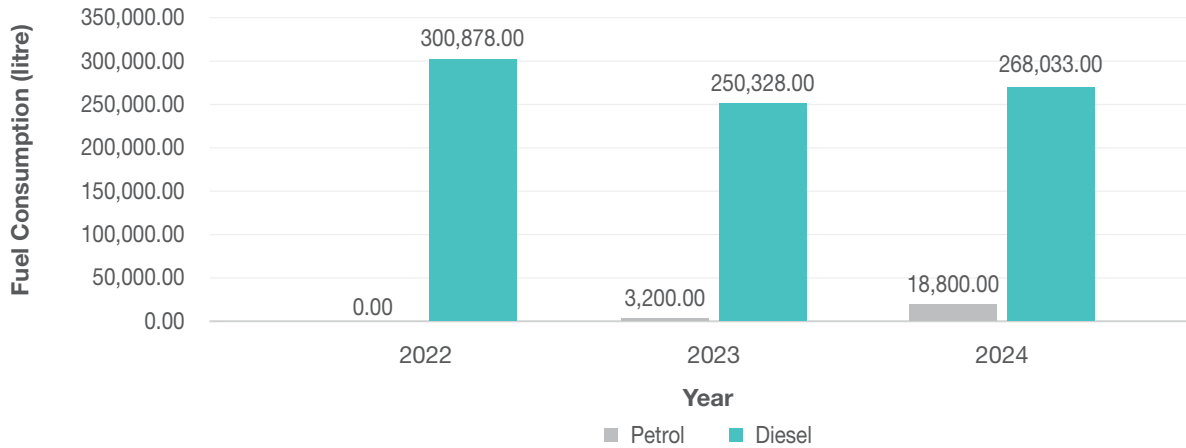
In FY2024, despite the increase in production level, our total electricity consumption decreased by 17.2% to 1,403,755 kWh, compared to 1,695,828 kWh in FY2023. This reduction reflects our ongoing commitment to improving energy efficiency across our operations. Through targeted energy-saving initiatives, we successfully reduced electricity usage in the past year. Energy consumption accounted for direct operations only. This reduction contributes to lowering our Scope 2 emissions, aligning with our sustainability goals of minimizing environmental impact and enhancing operational efficiency.

SUSTAINABILITY STATEMENT

(CONT'D)

2. Carbon Emissions

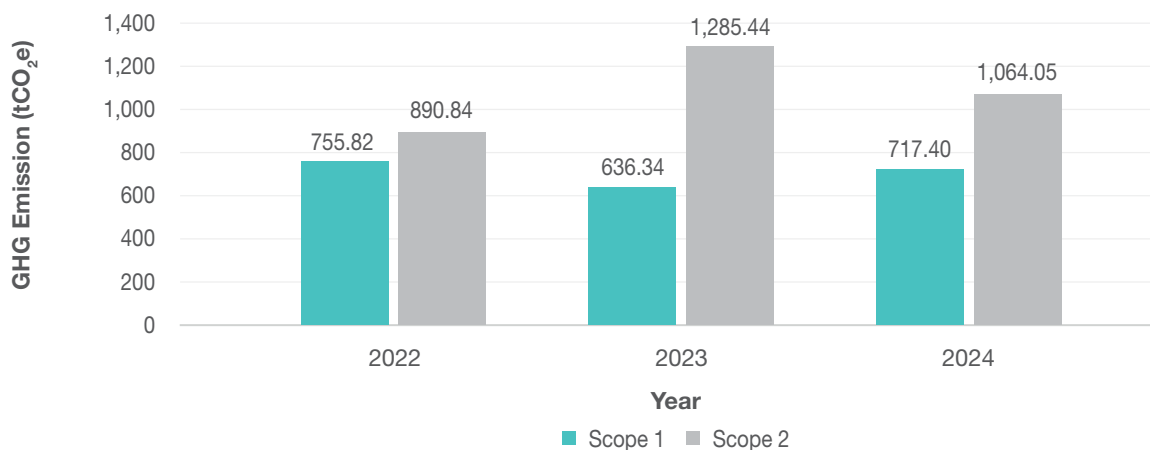
Total non-renewable energy consumed



In FY2024, petrol consumption rose to 18,800 litres, while diesel usage also slightly increased to 268,033 litres. These increase in fuel consumption may reflect changes in operational demands, driven by higher revenue and increased business activity.

3. Comparison of Scope 1 and 2 GHG Emissions for FY2022 to FY2024

Scope 1 and 2 GHG Emissions



The chart above illustrates the Total Greenhouse Gas (“GHG”) Emissions by Scope, expressed in tons of CO₂ equivalent (tCO₂e). In FY2024, Scope 1 emissions increased slightly to 717.40 tCO₂e, while Scope 2 emissions decreased to 1,064.05 tCO₂e. These trends indicate ongoing efforts to manage emissions, showing progress in reducing energy-related emissions, while direct emissions saw a modest increase due to high production.

SUSTAINABILITY STATEMENT

(CONT'D)

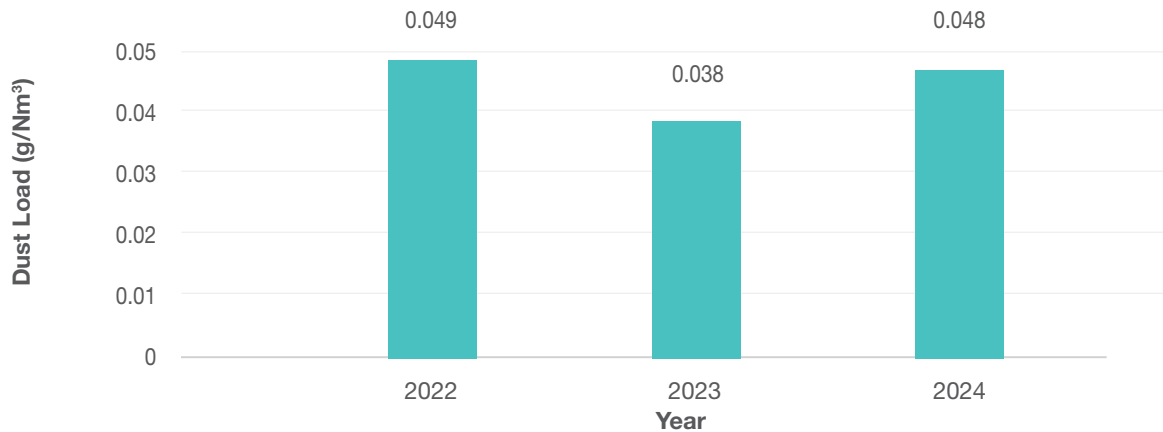
Notes

- Emissions from carbon fuel sources, including petrol and diesel, have been calculated using emission factors from DEFRA 2023: Petrol @ 2.34502 kgCO₂e/litre and Diesel @ 2.51206 kgCO₂e/litre.
- Emissions from electricity have been calculated using the emission factor from Peninsular Malaysia Energy Commission 2021 Grid EF @ 0.758 kgCO₂e/kWh by the Malaysia Green Technology Corporation.
- The emissions from company vehicles are calculated based on employee petrol card consumption.

We have been quantifying scope 1 and 2 emissions since fiscal year 2022. Scope 1 emissions include the fuel and diesel consumption at our factories in Kuching, Sarawak. Scope 2 relates to purchase of energy consumed by our headquarters office and factories. We have not included the emissions under scope 1 and 2 related to fuel consumption and energy consumption at our project sites. We also have yet to gather data on employee commuting, employee business travel data and waste generated in operations as an additional disclosure category for scope 3 emissions and other indirect emissions due to complexity and time consuming. Our aim is to gradually disclose this data as we enhance our internal capacity and refine data accuracy and completeness.

During the year under review, the group reported a decreasing trend in energy consumption, which is in line with our effective approaches. These include adopting more efficient processes, such as installing energy-efficient LED lighting in the factories and reducing carbon fuels in our manufacturing process.

4. Dust Load collected from the Stack Monitoring of Boiler Room Chimney according to Standard C, EQ (Clean Air) Regulation, 2014

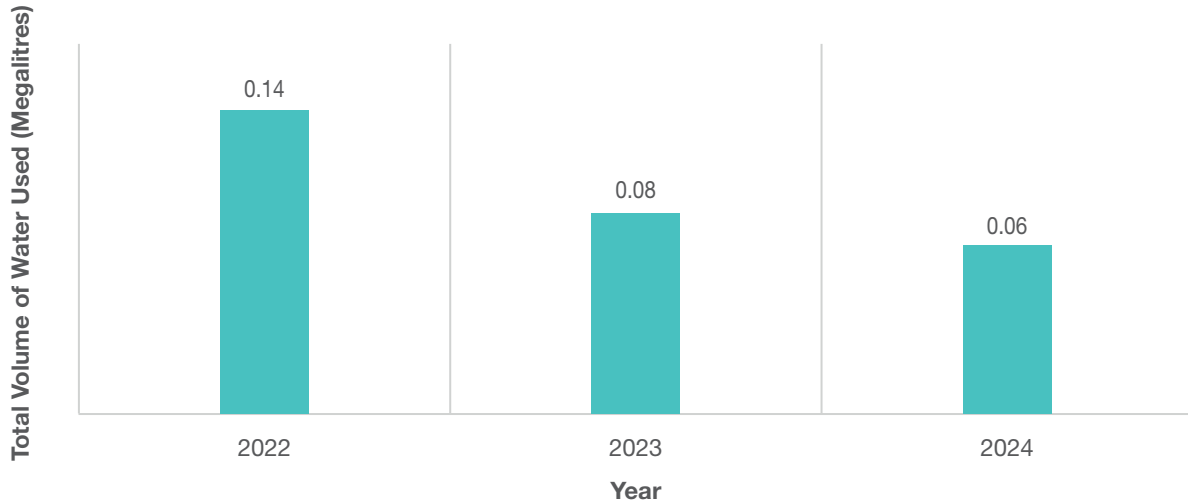


The chart shows the dust load (g/Nm³) measured from stack monitoring of the boiler room chimney over a three-year period. In FY2022, the dust load was recorded at 0.049 g/Nm³, followed by a decrease to 0.038 g/Nm³ in FY2023. However, a slight increase occurred in FY2024, with the dust load rising to 0.048 g/Nm³. Despite these fluctuations, the dust load consistently remains well below the permissible limit of 0.15 g/Nm³, as stipulated by the Environmental Quality (Clean Air) Regulations, 2014.

SUSTAINABILITY STATEMENT

(CONT'D)

5. Water management



The slight decrease in operational water consumption intensity can be linked to the implementation of water management initiatives, such as rainwater harvesting in selected factories, serving as part of our cost-saving measures. These efforts reflect our commitment to sustainable resource management and reducing our environmental footprint.



SUSTAINABILITY STATEMENT

(CONT'D)



Investment in Technology and Research and Development



Factory-made products under stringent ISO accredited quality management system

Our precast concrete and industrialised building system (“IBS”) products are manufactured in a factory-controlled environment, employing quality plants and machinery such as batching plant technology and reusable pre-stressed concrete moulds. Precast concrete structures are made under stringent ISO-accredited quality systems and procedures, are therefore quality assured, strong and durable with less wastage compared to the conventional cast-in situ method. Additionally, precast concrete products are reinforced with steel bars and undergo a curing process to ensure the concrete sets correctly under controlled conditions, optimizing its strength. Importantly, concrete does not burn or emit toxic fumes when exposed to heat, and it is less susceptible to damage caused by wear and tear over time. Off-site manufacturing also brings the advantage of safer and faster delivery, reduces cluttering, construction wastes and debris at the site, and mitigates noise, dust, air pollution and disruption to the neighbourhood of the construction sites. Besides, our prefabricated IBS components contribute to neat and safe layout and stockpiles at the construction sites when managed adequately. IBS has been shown to enable shorter project completion timelines and enhanced quality of work, leading to a more cost-efficient construction sector.

IBS adoption not only improved construction quality and lowered cost but has also reduced reliance on foreign labour and accelerated construction timelines, simplified on-site management and safety and reduced the construction industry’s environmental impact.

We are committed to increasing the use of alternative materials and methods in construction to minimize the environmental impact of our projects. We collaborate with clients and consultants to incorporate sustainable design solutions, focusing on materials, construction methods, and carbon emissions reduction whenever possible.



Pictures of the Residential Phase 6 project in Bachok, Kelantan

SUSTAINABILITY STATEMENT

(CONT'D)



3D printing
technology

As part of the IR 4.0, SCIB has been exploring digital technologies, such as 3D printing, to modernize our supply chain into a digital value network system. The use of integrated 3D-printing technology is a new and innovative approach in the construction industry. This technology allows for the construction of entire physical structures by integrating design, construction, equipment, new materials, and application to the architecture within a short period of time compared to traditional methods. 3D printing also helps reduce wastage by eliminating the use of timber foam.

We recently acquired a 3D modular construction printer from COBOD, Denmark, commissioned and completed the building of a 3D printed sample house at CIDB Sarawak Complex, Kuching, in collaboration with Akademi Binaan Malaysia (Sarawak) Sdn. Bhd. ("ABM"). SCIB and CIDB Malaysia had jointly organised an event to launch and introduce the 3D printed technology for the construction industry to relevant authorities and government agencies on 4 October 2022. We are proud to have the technical support from COBOD, a world leader in 3D construction printing solutions. Besides, with our capable inhouse technical team, we are confident in delivering quality 3D printed structures.

We are exploring the certification and potential application of this new 3D construction system with our IBS in the domestic landscape and how this can assist in the overall operational efficiency of the construction industry.



Lightweight
system

Additionally, we have implemented a lightweight system for construction to enhance our IBS offerings. Generally, lightweight materials like light steel frame systems and lightweight block systems have a lower embodied energy rating compared to heavyweight materials. This results in lower overall life cycle energy consumption. Furthermore, lightweight construction materials need fewer resources than concrete, leading to the creation of energy-efficient structures with a minimal carbon footprint over time.

SUSTAINABILITY STATEMENT

(CONT'D)



Research & development

We also conduct research and development to find alternative materials in manufacturing of precast concrete to reduce cement consumption such as the use of admixtures as hardening accelerators and use of recyclable materials in our production.

Our factory managers have taken initiatives to reduce the usage of diesel and sludge oil for machinery, progressively replacing formulated mould oil that is less harmful to human health and the environment.

Waste, Energy and Water Management



Pursuing ISO Certification

We are also committed to addressing society’s increasing demand for greater corporate responsibility in managing the environmental impact of our operations, particularly at our factory sites. We regularly evaluate our waste management practices against all applicable environmental regulations and requirements to ensure we are aligned with best practices and standards. As our factories are situated near major bodies of water like rivers, we are taking measures to ensure that the water discharged from our facilities complies with the permissible limits set by relevant regulations, including the Environmental Quality Act 1974. To achieve this, we will collect water samples from various discharge points and have them tested at local laboratories.

Our investment in off-site precast manufacturing and prefabricated IBS contributes positively towards sustainability as it reduces debris, waste and air pollution at site. Furthermore, our operations do not discharge excessive or harmful dust or smoke into the air.



Recycle of wastes

We also encourage efficient resource use to prevent and reduce production wastage. Any waste materials that are reusable are recycled back into production, while those that are unusable are sold as scrap. Additionally, we are improving the drainage system to dispose of production slurry more effectively. We have also implemented a program for the proper disposal of solidified slurry waste as a community service at no cost, where transporters self-collect the slurry wastes for use in land filling and similar purposes.

Our project sites are also equipped with adequate bins for temporary collection and disposal to be disposed of by authorised contractors registered with the local authorities. We also prepare recycle bins to collect recyclable materials at the construction sites, where recycled items are gathered for resale at the buy-back centre, which will reprocess the materials to make new things.

We have also participated in the recycle waste programme known as the Coral Reef Propagation Project in collaboration with the Jabatan Perikanan Malaysia in which our obsolete or defect pipes and U-culverts are laid out in the coasts of Sarawak. We have plans for future participation in this project as we accumulate more obsolete / defect products.

We are currently focused on increasing awareness regarding the importance of monitoring non-scheduled waste. This effort has resulted in a more thorough and detailed report on recycled waste for the relevant period under review.

SUSTAINABILITY STATEMENT

(CONT'D)



Water Quality Control at Factories and Construction Sites

We monitor the water discharge from all factories to look for contaminants and have installed proper drainage, filters or oil traps as recommended by the local authorities.

We are also actively investigating the design and construction of more effective slurry pits in our factories as additional engineering control against the transmission of harmful pollutants to the environment. At the same time, we will conduct scheduled checks to ensure that the water discharged is close to pH neutral and less harmful to the environment.

We regularly test the water discharged or accumulated at construction sites for pollutants in the water and take the necessary steps to treat or implement an appropriate dewatering process.

Reducing the environmental impact of our construction sites requires a collaborative effort, so site supervisors and all workers, including the sub-contractors, must understand and take responsibility.



Water ponding Control at Factory Premises and Construction Sites

Controlled earthworks and water ponding mitigation controls are vital in construction projects to prevent flooding of surrounding low-lying areas near the project sites. Therefore, we have implemented effective Flood Mitigation Controls, including adequate earth drainage and detention ponds, to control the flow of rainwater. As a result of these measures, we did not record any cases of severe flooding at our construction sites in 2024.

Our factory premises, located near a river mouth that experiences seasonal King Tide phenomenon, were mostly unaffected this year, despite the significant rise in water levels caused by the combination of rising sea levels and heavy rainfall towards the end of the year. We have been constantly improving the drainage system within our factory premises to ensure smooth flow of rainwater during heavy downpours, which will help reduce the risk of flash floods.



Water and electricity saving initiatives

We practice turning off computers, lights, air conditioners, and all office electrical appliances when they are not in use to conserve energy and save on electricity, expenses, and money. Lights are turned off during non-office hours and in vacant sections. This practice may help extend the useful life of electrical appliances. Our digitalization efforts are ongoing, and we embark on converting hardcopies into an electronic versions, such as our successful implementation of our digital boardroom for meeting papers and electronic submission of staff claims and leave applications. We believe every little bit counts.

Further, one of the key initiatives undertaken by the company is the implementation of the rainwater harvesting system. This system collects rainwater from rooftops and other surfaces, which is then used for cleaning heavy machinery and vehicles, as well as for general factory cleaning and watering plants. By using rainwater for these purposes, the company reduces the dependence on the usage of water, cuts operational costs, and conserves natural resources. This initiative not only reflects our dedication to environmental responsibility but also showcases our leadership in adopting innovative, eco-friendly practices for a sustainable future.



Training and awareness program

We have conducted training to enhance awareness and put in place adequate controls over handling of scheduled waste within our premises in line with Environmental Quality ("Scheduled Waste") Regulation, 2005 ie. Training on Environmental Sustainability - Low Carbon with CO₂ Mineralization, Scheduled Waste Management, Safety, Handling and Storing scheduled waste were carried out in the financial year 2024.

SUSTAINABILITY STATEMENT

(CONT'D)



Climate Change and Carbon Emissions



Control of Emission for Carbon Footprint and Ozone Depleting Substances

In line with SCIB's commitment to sustainability and environmental responsibility, this year marked a significant milestone as we began formally recording our carbon emissions. This initiative reflects our proactive approach to monitoring and managing our environmental impact, particularly in reducing our carbon footprint. Emissions from carbon fuel sources, including petrol and diesel, are calculated using emission factors from DEFRA 2023: Petrol at 2.34502 kgCO₂e/litre and Diesel at 2.51206 kgCO₂e/litre. Additionally, emissions from electricity consumption are calculated using the emission factor provided by the Peninsular Malaysia Energy Commission 2021 Grid EF at 0.758 kgCO₂e/kWh, as established by the Malaysia Green Technology Corporation. By tracking these emissions, SCIB aims to establish a baseline for future reduction efforts and contribute towards a more sustainable future.

As for Ozone Depleting Substances ("ODS") which are chemicals that destroy the earth's protective ozone layer such as chlorofluorocarbon ("CFC"), hydrochlorofluorocarbon ("HCFC") and hydrofluorocarbons ("HFCs"), these are neither used in any of our products nor used in any production processes. Aerosol insecticide for pest control and air-conditioning refrigerant are mostly chlorine-free. Additionally, our use of Clorox for disinfection and sanitization is known to be non-hazardous to the ozone layer.

To the extent where it is possible, the use of environmentally friendly machinery is preferred at our factory premises and work sites. We are continuously working on replacing old machinery with the latest technologies that emit less carbon into the environment. This includes reducing the use of diesel-powered vehicles and machinery since diesel engines contribute to environmental pollution and can be hazardous to health. In the future, we plan to adopt green transportation practices, using clean energy as a fuel. This may involve electric or hybrid vehicles or hydrogen, subject to further studies.

For a start, we are reviewing our rental policy and have begun to engage with suppliers on the importance of sustainability-related matters and will move towards suppliers who provide environmentally-friendly combustion engines to power machineries and reducing the carbon footprint of their operation, such the rental of forklift, transportation vehicles and mixer trucks.

We also prefer using energy-efficient light bulbs in our factory premises, such as the LED. LEDs require less power to produce a desired brightness level, and they are efficient, low maintenance, and long-lasting. They have a lower replacement and disposal rate, making them ideal for sustainable lighting. Additionally, the greenhouse gas emissions associated with LED lights are considerably lower than those of conventional incandescent or compact fluorescent lamps for the same luminosity. We are encouraging our employees to practice energy-saving behaviour by turning off lights, computers and optimizing the cooling systems from the air conditional.

We are exploring green designs involving the creation of energy-efficient products and systems with a light footprint on the environment from building design, production, installation to construction and commissioning and considering environmental effects and energy efficiency in building design and material purchasing criteria. We have established an open communication with our suppliers about reducing the environmental impact and improving social conditions throughout the supply chain. We would consider incorporating the "green building index" concept into our design of IBS products use in projects.

SUSTAINABILITY STATEMENT

(CONT'D)

In our business premises, the primary components of our generated waste are office paper and general waste. To address this, we have raised employee awareness about waste segregation and have promoted the use of paperless documents through digitalization. This involves encouraging electronic document sharing and advocating for printing only when necessary, while emphasizing the use of double-sided printing practices.

During the financial year, SCIB acquired five (5) plots of land measuring 8.8544 hectares ("ha") at Demak Laut Industrial Park for the construction of factory building to expand its production capacity. Barring any unforeseen circumstances, the management of the Company anticipates that the new factory will be completed by the end of 2025. The company is also exploring the costs and benefits of installing solar panel systems in the new factory. This initiative aims to utilise solar panel energy to support the new factory compound lighting system. The goal is to reduce energy costs and increase the share of clean and renewable energy. Generating electricity from solar panels produces no greenhouse gases, helping mitigate the impact of climate change.

Reducing emissions relies on gradual transitioning to energy-efficient machinery and vehicles. We are also committed to pursue ESG-conscious best practices and business processes, adopting tools and utilising technology and investing in plant and machinery in our new factory to achieve lower carbon emissions.

The new factory building construction should prioritize efficient lighting during the design phase to allow for more natural daylight to illuminate the buildings and maximize natural cooling effects. Some general energy management practices to consider include implementing an auto-adjusted air conditioning system, using a timer and motion sensor-controlled lighting system, gradually replacing existing conventional lighting with energy-saving LED lighting, and utilizing solar energy.



Environmental Quality Monitoring Program

We established an Environmental Quality Monitoring Programme ("EQMP") at all factories and local project sites to systematically monitor the environmental quality. The programme is a self-assessment system to measure the air, water quality of the surrounding environment in which the business operates. This programme was established to voluntarily measure and monitor the environmental effect of the projects but are not subject to Environmental Impact Assessment ("EIA") Approval Conditions. Several key areas are covered in the programme such as air quality, noise quality and discharged water quality. We measure and monitor based on the average dust load parameters at the factories.



Air Quality Control at Factories and Construction Sites

Open burning is strictly prohibited at our factory premises and construction sites to prevent smoke pollution, which can lead to haze and increase carbon dioxide emissions. This policy helps maintain the atmospheric air quality in surrounding areas and serves as a precaution against potential fire hazards.

Controlling dust pollution at factory premises and work sites can help reduce air pollution. Workers routinely sprinkle water on the ground on dry days to control airborne particles, which can affect visibility and reduce air quality for breathing. Our cement silo is equipped with a filter system that is regularly maintained to prevent accidental discharge of cement into the atmosphere. Undertaking offsite manufacturing of precast concrete products and adopting a 3D printing system brings the advantage of reducing clutter, construction waste, as well as minimizing dust and debris at the construction site.

SUSTAINABILITY STATEMENT

(CONT'D)

SOCIAL



We understand that our workforce is the key factor driving sustainable success for the company. At SCIB, we strive to create a positive work environment based on trust, respect, and teamwork. We believe that respect is the foundation for a productive workforce, leading to the company's success. We focus on fostering a positive work culture that prioritises employee well-being, encourages open communication, sets clear expectations and goals, and recognizes and rewards good work.

New employees will undergo an orientation program to help them familiarise themselves with the Company's background, current undertakings, and future plans. They will also gain an understanding of the relevant policies, safety procedures, and work culture and see how their role fits within the Company.

SCIB prioritises health and safety. We strive to provide a safe, healthy, and quality working environment for our employees by reducing accidents and injuries and improving workflow and efficiency. We recognize that a good health and safety environment is crucial to boosting staff morale, retaining and attracting skilled employees, increasing productivity, and reducing costs.

In SCIB, we support gender equality and respect human rights and will not tolerate any forms of discrimination, bullying, harassment and forced labour. We encourage equal employment opportunities and participation of women, men, and people of diverse genders, races, cultures and backgrounds. We also implement adequate welfare facilities, programs and staff benefits to motivate employees to overcome work-related stress and increase staff morale and job satisfaction for staff retention.

We believe in the crucial need to cultivate the spirit of giving back to the community, where we bring people together and work towards achieving the common and ultimate goals for a better society. Besides, community work enhances the Company's reputation and promotes a harmonious atmosphere and employee camaraderie. Further, a community-oriented environment inspires employees to find purpose and value in their work.

SUSTAINABILITY STATEMENT

(CONT'D)

Our Key Targets and Achievements

Our Key Targets

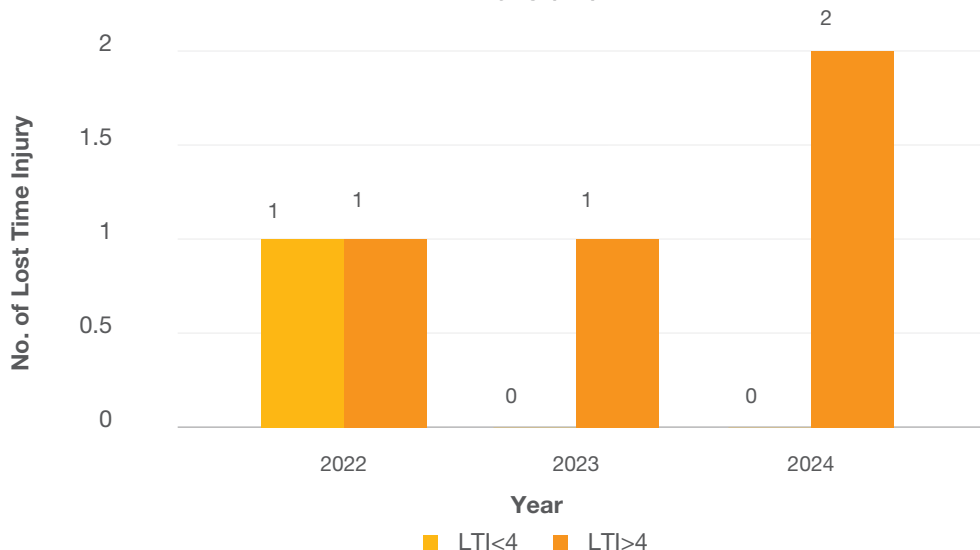


Our Progress and Achievements



- In FY2024, the number of LTI>4 incidents increased to two, with no LTI<4. The accidents in 2024 involved a production line employee injured due to a welding failure and a technician struck during an overhead crane test, leading to the development of a new Standard Operating Procedure to enhance safety.

Lost Time Injury (LTI) Statistics



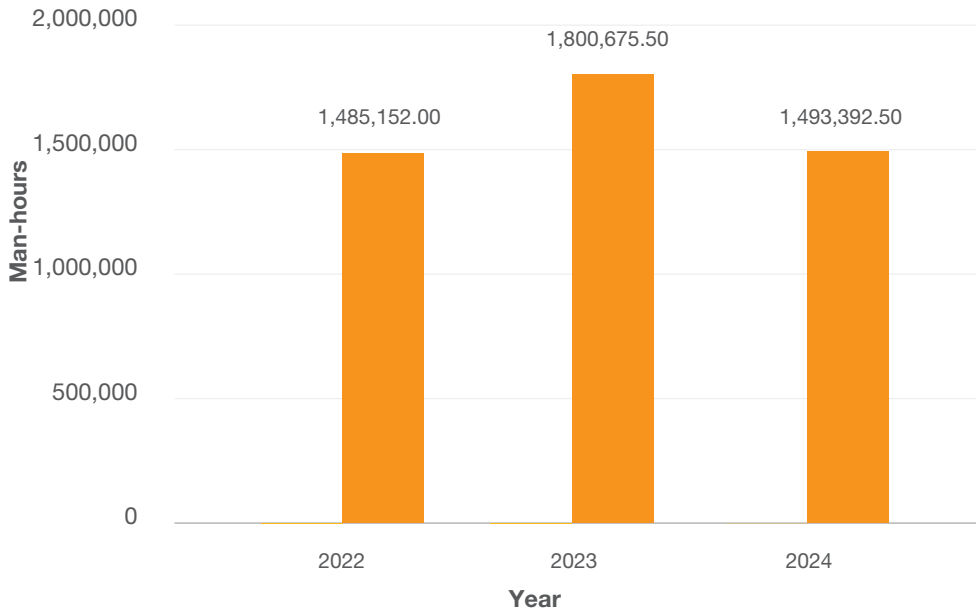
Note: Data comparison for three consecutive years includes all operations.

SUSTAINABILITY STATEMENT

(CONT'D)

2. In FY2024, an All Injury Frequency Rate (“AIFR”) of 0.67 was recorded, an average achievement that is below the industry average of 2.6 cited for the construction sector and 2.8 for the manufacturing sector (*source: <https://sitemate.com>*)

All Injury Frequency VS Man-hours



	2022	2023	2024
■ No of Accident	9	11	5
■ Man- hours	1,485,152.00	1,800,675.50	1,493,392.50

Notes:

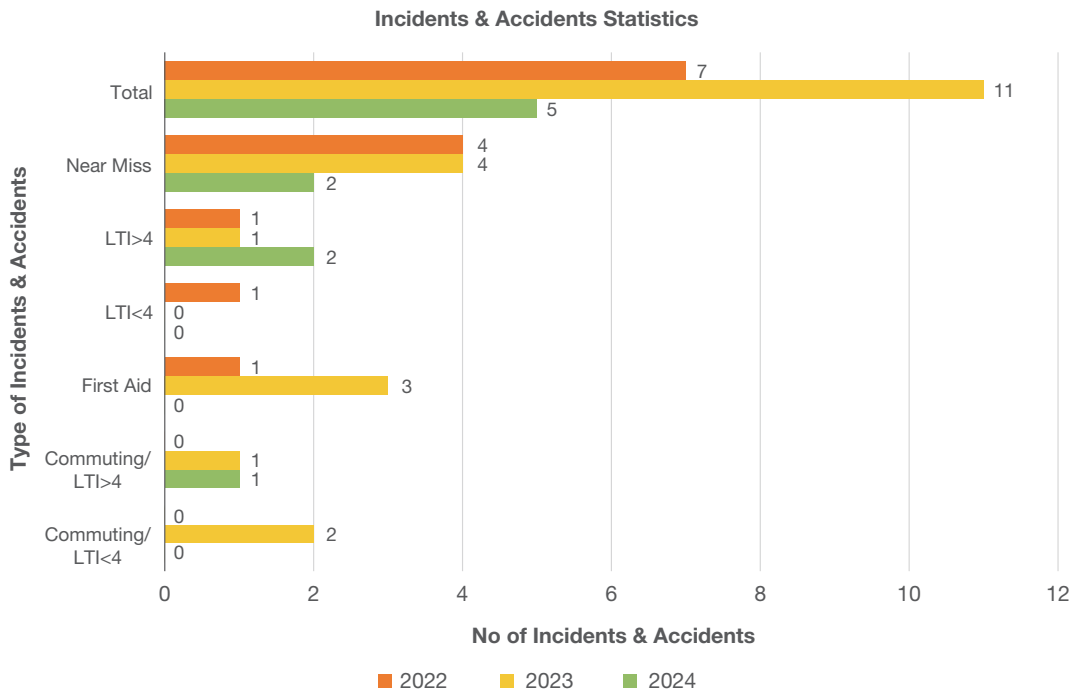
1. Data up to June 2024 includes all of our operations.
2. The All-Injury Frequency Rate provides an indication of the frequency of injuries recorded compared with man-hours worked during the year and is calculated as follows: number of accidents divided by total hours worked, multiplied by 200,000 for standardization.
3. It is described as the number of accidents per 100 employees working 40 hours per week for 50 weeks per year.



SUSTAINABILITY STATEMENT

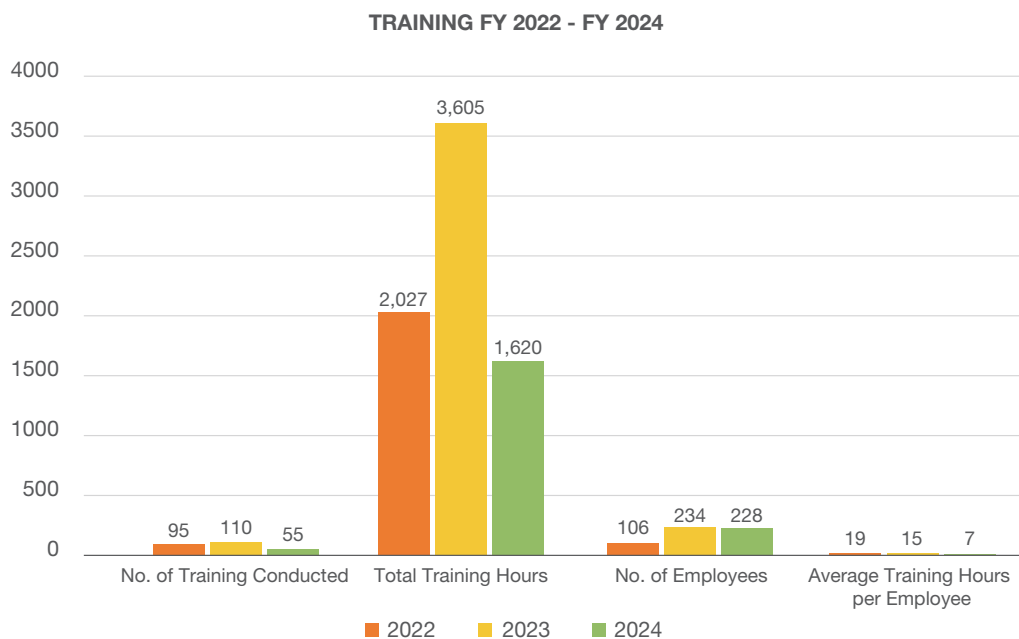
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3. For FY2024, we reported two (2) near-misses and five (5) accidents in total compared to eleven (11) previously reported in FY2023. The statistics of all types of incidents recorded for FY2024 as compared to FY2023 and FY2022 is shown in the following chart: -



Note: Data comparison of number of incidents and accidents for three consecutive years.

4. In FY2024, 228 employees participated in various training programs, with each receiving a minimum of 7 hours of training. Altogether, this resulted in 1,620 hours of training conducted.



Remarks: We have restated the data for training activities for FY2022 and FY2023 for compatibility.

SUSTAINABILITY STATEMENT

(CONT'D)



Our Challenges

Managing employee health and safety programs is difficult as the company has no control over the mindset and attitudes of the employees

Difficult to achieve gender diversity where the industry is more male-oriented

Social problems are on the rise, affecting community well-being and lack of volunteers and funds to support the ever-increasing community need



Employee Health, Safety and Welfare



Risks to health and safety come mainly from people who are exposed to safety and health hazards, such as factory workers and construction or site workers, which may cause serious injuries or even fatalities. Factors contributing to safety hazards include faulty design, adverse weather conditions, and incorrect handling and installation practices, which can be avoided by ensuring all works comply with the relevant regulations and guidelines specified by ISO 45001.

We continue to strengthen our health and safety policies and procedures and formulate safety and health plans throughout the year via our Safety 365 Awareness programmes. Among other things, the Noise Risk Assessment (“NRA”), Dust Monitoring, and Chemical Health Risk Assessment (“CHRA”) were undertaken at our factories in line with the requirements of relevant regulations enacted under the Occupational Safety & Health Act (1994).

SUSTAINABILITY STATEMENT

(CONT'D)

We have engaged an independent and qualified assessor registered with the Department of Occupational Safety & Health (“DOSH”) to determine the level of chemical and cement dust exposure associated with our workers’ respiratory health. The appointed assessor conducted the CHRA review at the three factories to identify any chemicals that are potentially carcinogenic. The CHRA revealed that our workers are exposed to two major sources of health hazards, namely, silica dust and benzene, used as additives in diesel.

Based on the Noise Risk Assessment (“NRA”) issued by the Competent Noise Risk Assessor, workers who are exposed to high noise and vibration levels, more than 82 dB(A), for an average of four hours a day, are required to undergo annual audiometric tests. To prioritise the well-being and safety of our employees, our company took proactive steps to address potential risks associated with working in high-noise exposure areas. In the financial year ended June 2024, we have conducted two batches of audiometric tests. The first batch took place on 20 February 2023 and 27 February 2023, with 21 employees tested at KPJ Kuching Specialist Hospital Sdn Bhd. The second batch occurred on 15 January 2024, 22 January 2024, and 5 February 2024, with 19 employees tested at the same hospital. These tests aimed to evaluate the employees’ hearing capabilities and identify any potential occupational noise-related hearing disorders. Following the completion of the tests, we received comprehensive reports from the Occupational Health Doctor (“OHD”). These reports provided valuable insights into the employees’ hearing conditions and enabled us to understand the potential risks they might face due to their work environment.



Annual DOE Inspection on 27 June 2024



Briefing on the Obligation of Audiometric Test on 18 July 2024

We continuously improve our factory premises and work sites via the established Occupational Health & Safety Management System (“OHSMS”) and Environmental Management System (“EMS”) that seek to provide a safe and healthy working environment for the prevention of injury and ill health. Our Health & Safety team closely monitors operations and construction activities to provide regular updates on safety and health conditions at the factory premises and work sites. There were no instances of non-compliance with safety and health regulations reported during the financial year.

Additionally, we have established campaigns, banners, posters, brochures, and signboards in prominent areas to disseminate Health and Safety messages to workers, such as posters on Silica Dust Hazards. We provide our workers with appropriate Personal Protective Equipment (“PPE”) such as hand gloves, safety boots, hard hats, face masks, and earplugs and conduct regular inspections to ensure compliance with PPE usage during work.

We have a Traffic Management Plan (“TMP”) for our road maintenance projects to control and facilitate vehicle movement during road construction or road maintenance / upgrading works. The TMP minimises traffic congestion and safeguards the site workers, motorists, pedestrians, and road users against safety hazards and accidents. Well-planned traffic management will increase safety and productivity. Consequently, the road works can be completed timely and cost-effectively.

SUSTAINABILITY STATEMENT

(CONT'D)



Monitoring of Lost Time Injury ("LTI") & All Injury Frequency Rate ("AIFR")

We have established performance indicators for the HSEMS known as the Four Zeros consisting of Zero Lost Time Injury, Zero Fatality, Zero Environmental Contamination and Zero Regulatory Violation. Each factory is required to record and monitor their respective Lost Time Injury ("LTI"), which is the record of productive time lost when a worker is unable to return to work. LTI is used as a key performance indicator to measure work safety.

The Occupational Safety & Health Act of 2022 defines Lost Time as a lost day (consecutive or not), counted from the day of the accident, including injury, diagnosis of occupational poisoning and occupational disease measured in calendar days the employee was away from work. In SCIB, we categorise the Lost Time Injury ("LTI") into two (2) categories, which are Lost Time Injury not more than four (4) days ($LTI < 4$) and Lost Time Injury more than four (4) days ($LTI > 4$) that require us to submit the information to Department of Occupational Safety and Health ("DOSH"). Unfortunately, in 2024, we recorded two lost time injuries of more than four (4) days. One of the accidents involving a production line employee was caused by a failure in the welding points of the lifting mechanism attached to a beam mould panel. Corrective actions were taken to improve the welding quality and ensure better distribution of load-bearing capacity to prevent future accidents. Another incident occurred during an overhead crane test after repairs, a technician was struck by a column while seated on the bridge control panel, causing injuries that required emergency response. A new Standard Operating Procedure ("SOP") titled HSE-WI52 Safety Breakdown Maintenance was developed as the corrective action to address the incident.

Safety accidents are also investigated to determine the root causes, identify unsafe conditions or actions, and recommend corrective actions to prevent future recurrence. New employees are provided with an orientation on the workplace's safety and health risks and procedures.

We also recognize the importance of keeping tabs on near misses and accidents to assess the hazard level at the workplace. We started capturing data on near misses in 2020 to help us identify the root causes of actual accidents and, at the same time, manage and reduce the overall risk of having a serious accident, lost time injuries and illnesses, or even fatalities.

Further, we also monitor the All-Injury Frequency Rate ("AIFR"), which provides an indication of the frequency of injuries recorded compared with man-hours worked during the year. AIFR is calculated by dividing reported accidents for a year by the number of hours worked, multiplied by 200,000 for standardization. It is described as the number of accidents per 100 employees working 40 hours per week for 50 weeks per year.

In 2024, while we saw an increase in the number of Lost Time injuries exceeding four days, rising from one (1) in 2023 to two (2), it's important to note that the overall number of incidents and accidents decreased significantly from eleven (11) in 2023 to five (5) in 2024, reflecting a remarkable improvement of over 54%. This indicates an improvement in our safety performance overall, as we have managed to reduce the total incident rate despite the slight uptick in more severe injuries. This suggests that our proactive measures are effectively minimising the overall risks, even as we continue to address more serious cases.

In this regard, we focus on re-identifying and re-assessing potential hazards that could lead to accidents through inspections, risk assessments and employee feedback. Critical hazards mainly consist of high-risk work activities related to lifting and loading heavy products, simultaneous operation, working at height and mobile plant operation, machinery malfunction, and improper behavior at the operational level. Action taken to mitigate the risk continuously includes providing training and toolbox meetings, promoting and fostering a safety culture by encouraging open communication, active participation and reporting of potential hazards or near misses and providing adequate resources and equipment to employees such as complete personal protective equipment ("PPE") and ensuring machinery are well maintained.

SUSTAINABILITY STATEMENT

(CONT'D)



Safety and Health Committee

The Safety & Health Committee (“SHC”) plays a vital role in promoting and maintaining a safe and healthy working environment for employees. Its primary function is to act as a forum for collaboration between management and employees to identify, evaluate and control safety and health issues and foreseeable risks at our workplace. Both employers and employees are equally represented in the committee, and the management is represented by non-managerial executives in line with the ISO45001 requirements. The Committee provides links for better communication between workers on the ground and the management, bringing together a broad range of expertise and experience to help identify safety hazards at work and find solutions or new ways to enhance safety practices. Workers are encouraged to express their safety and health concerns to the Committee, where issues can be responded to and addressed accordingly. In the financial year ended June 2024, the SHC met on 2 February 2024.



Mitigating the Threat of Occupational Diseases

The company has recently encountered an increase in the number of cases involving workers bitten by stray dogs, raising significant concerns regarding the potential risk of rabies, especially as some of these dogs have been exhibiting strange behaviour. In response to this issue, the company has lodged a formal complaint with the Majlis Bandaraya Kuching Selatan (“MBKS”) regarding the presence and behaviour of these stray dogs. The MBKS has taken prompt action, resulting in two capture sessions: the first session captured a total of 6 dogs and 2 puppies, while the second session captured 2 additional stray dogs. To further safeguard employees, the company organised a virtual meet-up session on 30 August 2024, featuring expert speakers from the Department of Veterinary Services Sarawak. During the session, employees received practical information on identifying signs of rabies in animals, proper steps to take if bitten by a stray dog, and preventive measures to avoid encounters with stray dogs. We believe that through these actions, we can effectively address the issue and enhance the safety and well-being of all our employees.



Healthy lifestyle

Health talks were conducted to encourage our employees to adopt a healthier lifestyle and raise awareness on healthcare topics. These sessions included “Healthy Eating and Lifestyle” on 25 August 2023, “Influenza Symptoms, Causes, Treatment and Prevention” on 30 November 2023, “Safety at the Workplace” session on 8 March 2024, “Mental Health” on 26 April 2024. The health talks aimed to raise awareness and share current information on the common diseases and challenges facing society and educate employees on what they can do to overcome these challenges and live healthier lives.

Additionally, we have subsidised employees to join marathon events such as the “Love Our Ocean Charity Run 2023” campaign on 17 December 2023, with participation from 50 employees from our Kuching office. This event underscores our dedication to fostering work-life balance by promoting a healthy lifestyle while also making meaningful contributions to charitable endeavours. We also organised lively Zumba events on 19 October 2023 and 15 January 2024 to get employees moving, grooving together, and fostering fitness.



Love Our Ocean Charity Run 2023
on 17 December 2023



“Juh Ngeluar Peloh”
Zumba event on 19 October 2023

SUSTAINABILITY STATEMENT

(CONT'D)



Safety and health talks are conducted throughout the year and during monthly assemblies by experienced staff to create awareness of the importance of personal safety and hygiene. These talks cover topics such as the Mandatory Use of PPE and Social Distancing in Office and Production during the Movement Control Order.

Safety Induction Briefings for new hires are conducted quarterly, and courses conducted for the financial year ended June 2024 included Hearing Conservation Training, Emergency Response Preparedness Training, and Emergency Response Team (“ERT”) (Security) Preparedness Refresher.

A set of SOPs have been implemented to curb the spread of the virus as per Ministry of Investment, Trade and Industry (“MITI”) requirements and as prescribed by the other relevant authorities for factories and construction sites. Other measures include assembly on precautionary measures and email reminders and updates.

Health and safety officers regularly educate fellow workers about the risks at the workplace and safety procedures to prevent untoward accidents. Staff are provided with appropriate safety programmes and training to further enhance their knowledge on health and safety at the workplace. Our safety supervisors also have regular Toolbox Meeting with subcontractors’ workers to highlight any Health, Safety and Environment related matters of concern.



Emergency Response Team Training on 14 June 2024



Toolbox Meeting at Yarding Section on 28 March 2024



Toolbox Meeting at Spun Pile Section on 8 May 2024



Toolbox Meeting at RC Beam Section on 6 February 2024



SUSTAINABILITY STATEMENT

(CONT'D)



Upgrade of factory facilities and infrastructures

The Group has acquired five industrial leasehold plots in the Demak Laut Industrial Park, Kuching, Sarawak, a move set to significantly enhance the Company's production capabilities in line with Sarawak's booming infrastructure development. The acquisition, involving a total of 5 lots of land, totalling 8.8544 hectares (approximately 21.88 acres) in the Muara Tebas Land District, represents a strategic expansion of SCIB's operational footprint. The new location at Demak Laut Industrial Park, which is fifteen kilometres from Kuching City Centre, is strategically advantageous and provides us with the necessary space to increase our production capacity by almost 30%. This expansion aligns perfectly with the anticipated increase in demand driven by Sarawak's rapid infrastructure development plans in the coming years. The intended use of the newly acquired land is to construct an industrial factory to produce concrete-related products such as Spun Piles, Spun Pipes, and Reinforced Concrete Products. We have plans underway to install factory sheds in our new facility. This initiative aims to create a conducive work environment that shields against adverse weather conditions, particularly on hot and rainy days, in order to minimise work interruptions.

We also progressively pursue upgrading our factory facilities and infrastructure to provide a favourable working environment. We established safe operating procedures for machinery and set up an ERT in every factory. Our Health and Safety team works closely with our Repair and Maintenance team to enhance the Planned Preventive Maintenance Programmes to reduce the hazards of major accidents at the factory. We continuously ensure that our workers and personnel are adequately protected when working in critical areas exposed to work hazards and provide them with PPE.

The cafeteria's conversion into an event room has facilitated a range of gatherings, including a luncheon for the Directors, a Meet-up session with the group, a farewell event, a promotion celebration, and small awards ceremonies.



Celebration of Executive Director Promotion on 20 December 2023



Staff appraisals and staff feedback

Annual staff appraisals present a valuable opportunity to measure employee performance, address any performance issues, and reward them accordingly. These appraisals are helpful in identifying skill gaps and training needs, ensuring alignment with the Company's culture. An effective appraisal helps the Company spot talent to nurture and develop. During appraisal meetings, employees are encouraged to share their perspectives and provide feedback, giving them a sense of value and belonging in the workplace. This open dialogue enhances the quality of work and boosts employee productivity and engagement, contributing to a more dynamic and harmonious work environment.

SUSTAINABILITY STATEMENT

(CONT'D)



Appreciation of employees

In appreciation of our employees' unwavering efforts and contributions, SCIB celebrated Chinese New Year with a vibrant multicultural gathering. The event commenced with an exhilarating lion dance, believed to usher in good luck, fortune, wealth, prosperity, and happiness. Following this captivating performance, a buffet-style feast and an exciting lucky draw were provided to the employees and workers, enhancing the festive atmosphere and fostering a sense of community and joy. In conjunction with Hari Raya Aidiladha and Hari Gawai 2024, we also successfully distributed food packs for Kuching staff and organised a buffet-style meal in Nilai exclusively for SCIB club members and interns. Additionally, we expressed our deep gratitude to our staff with annual increments and bonuses, inspiring all employees to strive for excellence and achieve similar milestones.



Distributions of packed food under the Sentuhan Kasih Eid Al - Adha Gawai program in Kuching office on 18 June 2024

Buffet-style meal under the Sentuhan Kasih Eid Al - Adha Gawai program in Nilai office on 18 June 2024



SUSTAINABILITY STATEMENT

(CONT'D)



True spirit of giving - Tabung SCIB

SCIB Club, established in 2003, is a fund jointly supported by SCIB and its employees, who contribute monthly. The Group matches every ringgit contributed by employees on a one-to-one basis. Managed by employees, Kelab SCIB is overseen by employees with the objective of managing members' welfare through an emergency fund, benevolent fund, and education fund. The emergency fund aids employees in times of crisis, while the education fund provides scholarships and cash rewards to employees' children who excel in public examinations such as the SPM and final semester exams for colleges and universities. Additionally, SCIB Club fosters camaraderie among members through various social events and activities. The Education Awards were presented to the children of SCIB Club members who achieved outstanding results in their SPM examinations and higher education. Seven students received awards for their SPM results, and one student was honoured for outstanding performance in her Diploma studies. A special token was also presented to an employee for his Newborn Baby. To mark this occasion, a buffet was arranged for all the attendees. During the financial year ended 30 June 2024 under review, one hundred and eighty-two (182) children received Year-End-Gifts of school stationery.

As part of our commitment to staff welfare and nurturing young talent, SCIB is proud to have sponsored Ms. Nur Zulaikha Binti Mohd Rasidi, daughter of one of our employees, in her journey to represent Malaysia at the ITF Taekwon-do Asian Championship 2024, held in Bengaluru, India, from 19 to 25 August 2024. She made us proud by winning a bronze medal in the individual sparring event, bringing honour to both Malaysia and the SCIB family.



Presentation of education awards for SCIB Club members' children on 18 June 2024



Presentation of special token for newborn baby on 18 June 2024



Sponsorship for ITF Taekwon-do Asian Championship 2024, held in Bengaluru, India, from 19 to 25 August 2024



Ms. Nur Zulaikha receiving her bronze medal on 23 August 2024



SUSTAINABILITY STATEMENT

(CONT'D)



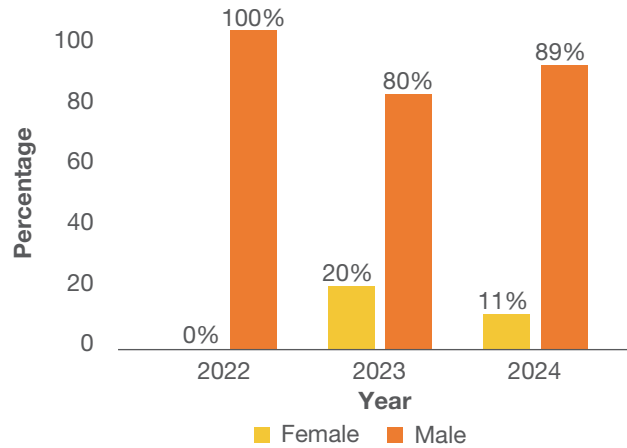
*Embracing
Inclusivity
in Our
Workplace*

Our employee population reflects our commitment to inclusivity and respect for the diverse perspectives within the Group. The overall age breakdown shows that 64% of our employees are millennials between the ages of 30 and 50, while 27% are Generation Z below the age of 30, and 9% are above the age of 50.

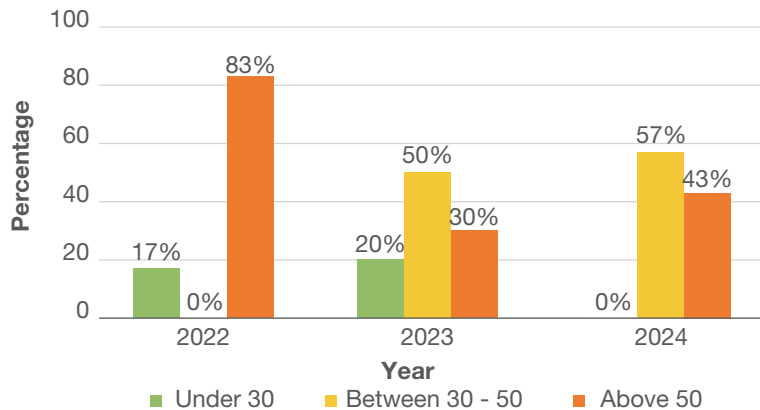
As of 30 June 2024, SCIB had 327 employees	61% Permanent full-time employees	5% Probation full-time employees	34% Contract full-time employees
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Board Members

Board Gender Breakdown



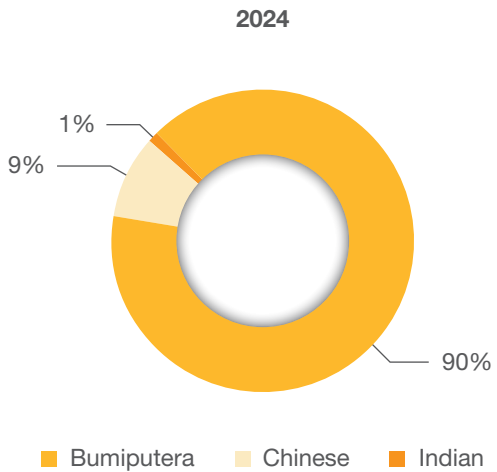
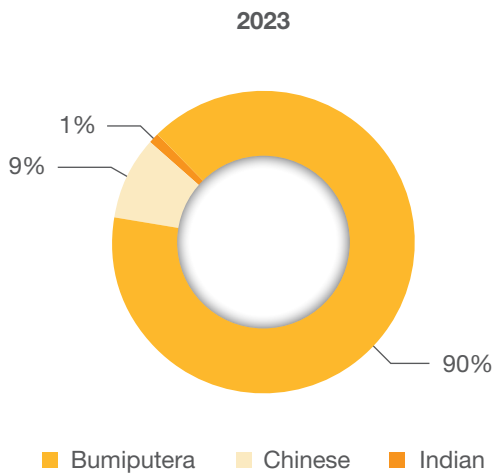
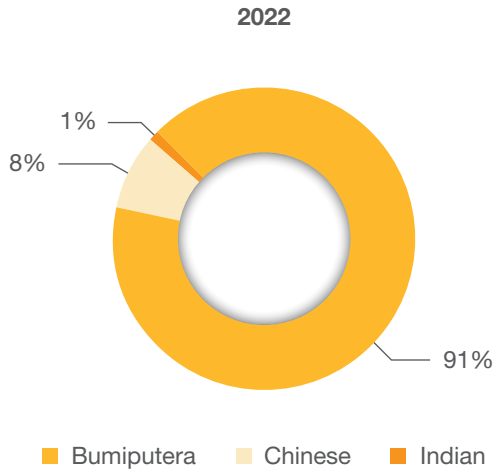
Board Age Breakdown



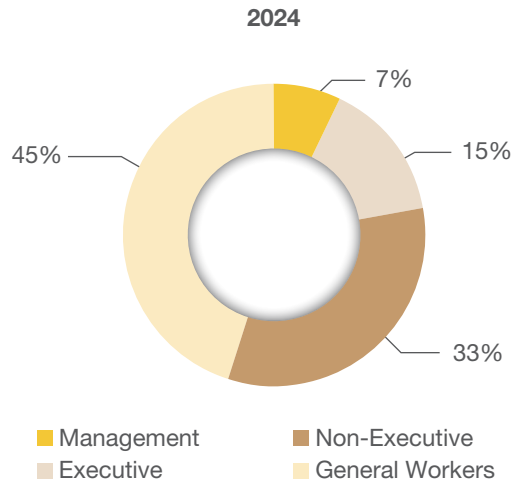
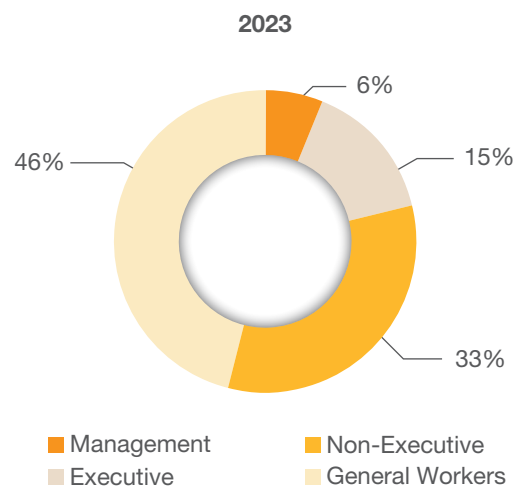
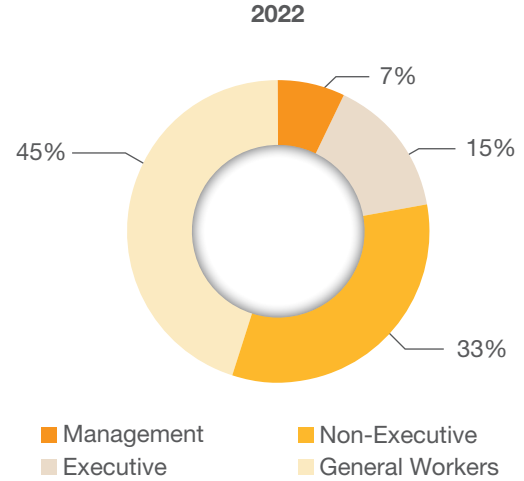
SUSTAINABILITY STATEMENT

(CONT'D)

SCIB Workforce by Ethnicity



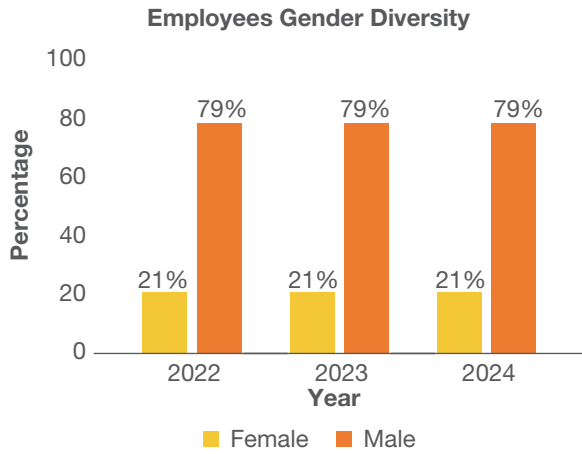
SCIB Employees by Division



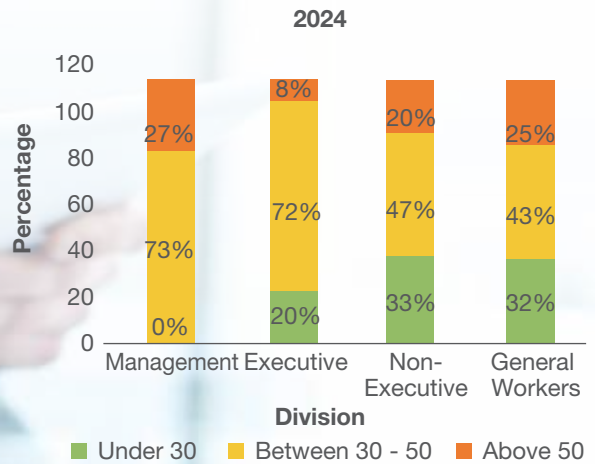
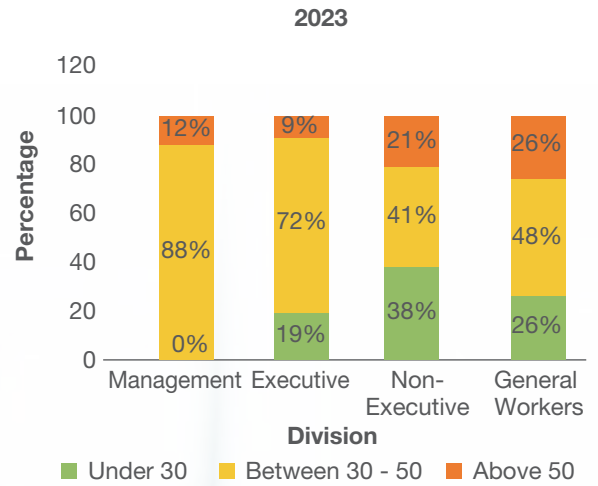
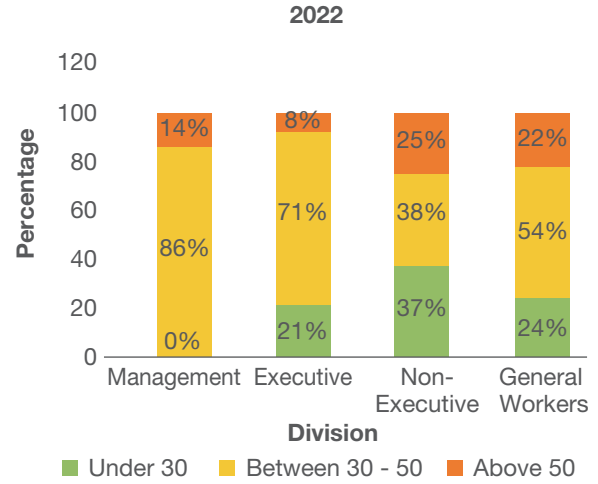
SUSTAINABILITY STATEMENT

(CONT'D)

SCIB Employees by Gender Diversity



SCIB Employees by Age



SUSTAINABILITY STATEMENT

(CONT'D)



Empowering Women in the Workplace

At our Company, we are deeply committed to creating an inclusive and supportive environment that promotes the advancement and empowerment of women at all levels. In line with the principles of SDG 5: Gender Equality, we aim to provide equitable opportunities for leadership roles and actively foster the professional growth of our female employees. We value women’s unique strengths, perspectives, and contributions to the workplace. Our efforts are concentrated on identifying and nurturing high-potential female employees for leadership positions, ensuring that a diverse array of voices is represented in our decision-making processes. By investing in their professional growth, we aim to enhance retention rates and encourage long-term career progression.

In line with the revised Employment Act, we have updated our maternity leave policy to extend to 98 days. This change supports new parents in achieving a healthier work-life balance, providing them with essential time to care for their newborns during the critical early months.



SCIB Group: Employee Compensation and Benefits

The Group is committed to providing our employees with a comprehensive and competitive compensation and benefits package. Compensation and benefits are structured according to the respective personnel grading and positions, in alignment with our HR policy. This ensures that all employees are rewarded fairly and equitably based on their roles, responsibilities, and contributions to the organization.

TYPES OF LEAVE	
Annual Leave, Blood Donation Leave, Compassionate Leave, Disaster Leave, Examination Leave, Haji / Pilgrimage Leave, Hospitalisation Leave, Marriage Leave, Maternity Leave, Paternity Leave, Prolonged Illness Leave and Sick Leave	
EMPLOYEE WELLNESS	ALLOWANCES AND SUBSIDIES
Annual Medical Check-up, Staff Medical and Family Medical	Business Travel Reimbursements, Entertainment Claims, Accommodation and Company Car
INSURANCE COVERAGE	OTHERS
Hospitalisation & Surgical Insurance, Group Term Assurance, Group Personal Accident, and Directors and Officers (“D&O”) Insurance	Retirement Benefits, Long Service Awards, Membership in Professional Associations, Sports & Health Initiatives and Education Assistance, Long Term Incentive Plan

SUSTAINABILITY STATEMENT

(CONT'D)

Human Resource Development

We ensure that there are continuous growth, development and progression opportunities for our employees through in-house training, seminars, workshops and talks. These opportunities equip them with the latest job-related updates and learning. During the financial year, a total of 228 employees benefited from fifty-five (55) training courses, both internal and external, were conducted which is equivalent to around 1620 training hours. We will continue to assess the training needs and plan and offer our employees learning opportunities to enhance their skills, knowledge, and work performance.

We also offer department rotation to employees, allowing them to expand their knowledge, experience, and expertise in various job scopes. During the financial year ended 30 June 2024, twenty (20) employees were promoted, and fifty-nine (59) employees were transferred to other departments or job functions for further development.

We have developed a competency and succession programme for key and critical positions, in which job requirements and skillsets are assessed. Potential candidates who are identified are coached, nurtured, and groomed for succession to these key and critical positions with a career development plan and training needs analysis.

We are committed to providing educational opportunities to our employees. Financial aid is provided to support their quest for further learning. The Group also offers educational assistance and career development plans to employees, helping them earn professional degrees/master's qualifications for job enhancement. For the financial year ended 30 June 2024, one (1) employee benefited from the educational assistance.

Since 2021, we have organised virtual Meet-Up sessions aimed at connecting staff in the Nilai and Kuching offices while strengthening relationships and team cohesion among the employees. Further, it also encourages the sharing of important updates and the exchange of information and ideas and provides awareness and valuable information addressing issues of concern. Topics covered include sustaining your income by Retirement Fund, Anti-Bribery & Anti-Corruption, Safety at Workplace Awareness, and Fire Safety Training, just to name a few.

Labour Practices and Standards: Human Rights and Diversity



Fair employment and diversity

We are committed to fostering diversity and inclusivity within our workplace. We treat everyone, including our employees, customers, and suppliers, with respect and integrity and ensure we protect our employees' rights at all times by adhering to local regulations and the Employment Act. We acknowledge employees' right to a minimum wage and fair salary and ensure monthly remuneration is paid on time. Our recruitment of employees is conducted through a fair and transparent process based on qualification, experience, merit and attributes. We practice gender diversity with 21% of our total employees being female as of 30 June 2024.

An employee survey was conducted in November 2023, reaching out to around a total of 44 employees, out of which 36 responded that they were satisfied working in SCIB. At SCIB, we aim to provide working conditions and benefits that enhance employee satisfaction. We regularly organize activities to foster connectivity and togetherness, ultimately improving staff retention. This year, we aim to increase the survey's coverage to gather more comprehensive feedback for ongoing improvement.



Anti-Harassment Policy

We established a zero-tolerance policy for harassment and discrimination, including sexual harassment, on 30 August 2022. This was implemented to uphold our commitment to foster and preserve a culture of dignity and respect and sustain a healthy working environment. To reinforce this commitment, anti-sexual harassment posters have been prominently displayed in our office's main entrance, toilets, and corridors. The Sexual Harassment Policy acts as a deterrent to inappropriate behaviour/ misconduct, undesired intimidation and harassment at the workplace that leads to poor staff morale, stress at work and legal consequences. This initiative sends a clear message from leadership to create a work atmosphere where employees feel safe, empowered, and at ease.

SUSTAINABILITY STATEMENT

(CONT'D)

Community Support

We believe that businesses and communities are interdependent and that building relationships are important as part of sustainability.

Community support - SCIB Volunteers

In line with our commitment to supporting community initiatives, SCIB collaborated with the Sarawak General Hospital Blood Bank (“SGH Blood Bank”) for a Blood Donation Drive in conjunction with Sarawak Day 2023. The event received an overwhelming response, with 132 successful donors stepping forward, reflecting the unity and compassion of the Sarawakian community.

Continuing this tradition, SCIB partnered with the SGH Blood Bank again for the SCIB Blood Donation 5.0, held on 31 August 2024 in celebration of Merdeka Day. The event attracted 150 registered participants, of whom 125 successfully donated blood, contributing to the hospital’s life-saving efforts. As a token of appreciation, each donor was presented with a microfibre shirt and a goodie bag, recognizing their generosity and commitment to the welfare of others.



SUSTAINABILITY STATEMENT

(CONT'D)

In addition to these efforts, SCIB participated in the Pibakat Food Fair & Charity Sales 2023, held at the Christian Ecumenical Worship Centre on 24 September 2023. This event aimed to support children and young adults with special needs by improving their quality of life and raising awareness about their challenges. Through volunteerism and contributions, SCIB helped foster a more inclusive and supportive community. Proceeds from the charity sales were handed over to Pibakat's representative, marking a successful initiative that reinforced our commitment to social responsibility.

SCIB remains dedicated to promoting initiatives that enhance community health and welfare, and we are grateful for the continued support of our partners, volunteers, and participants in these meaningful events.

Collaboration with Universiti Kebangsaan Malaysia (UKM)

Apart from that SCIB has entered into a collaborative research project with Universiti Kebangsaan Malaysia ("UKM") titled "Efficacy of Tight Versus Moderate Glycemic Control on the Rate of Surgical Site Infection in Patients with Diabetes Mellitus Undergoing Coronary Artery Bypass Graft ("CABG") - A Single Centre Prospective Randomized Control Trial" to explore the effectiveness of different glycemic control approaches in reducing Surgical Site infections ("SSI") among diabetic patients undergoing coronary artery bypass graft surgery. Our role in this project includes providing financial support, while UKM leads the scientific research, patient recruitment, and data analysis. The results of this study are expected to guide clinical practices and contribute to significant improvements in healthcare delivery for diabetic patients undergoing major surgeries. This partnership not only strengthens SCIB's involvement in corporate social responsibility but also aligns with our strategic focus on sustainable growth and societal well-being through innovative research and development efforts.

Training for tomorrow

During the financial year ended 30 June 2024, SCIB provided industrial training to 16 undergraduates from local institutions of higher learning for 2 to 6 months in the areas of Production, Quality Safety, Health Environment, Repair and Maintenance, Human Resources, Production, Marketing, and Pasukan Gerakan Udara ("PGU") Site Project. We believe that these young students are the future of the manufacturing and construction industries in Malaysia, and our training programme will give them learning opportunities and insights into the industry to improve their practical knowledge and field exposure.

In October 2019, SCIB inked an MoU with Akademi Binaan Malaysia and CIDB Malaysia to collaborate for five (5) years in providing training to CIDB-registered contractors in Malaysia on the IBS. We are always keen to send out technical experts to share with university students at conferences, lectures, and talks on various topics to nurture talent and train our next-generation leaders. Our Senior Business Development Manager, a professional engineer, Ir. Ivonson Kwee has been invited to serve as an Instructor for the Certified Contractor Training Program for the IBS – Precast Concrete Panel on 23 – 27 April 2024 and invited by CIDB IBS as one of the panel speakers to talk about Compliance, Enforcement, and Monitoring of IBS in Pullman Hotel Kuching on 11 June 2024.

The Company also embarked on the Professional Training and Education for Growing Entrepreneurs ("Protégé") program in collaboration with SCIB Sasoakai Resources Sdn. Bhd. in support of the government's initiatives to create a pool of competent, well-trained, knowledgeable, and skilled graduates through industrial attachment that will help them attain relevant competencies that enhance their marketability and employability. The 8-month programme blends intensive soft skills classroom training and on-the-job training opportunities, offering practical skills and real-life experiences to build a strong foundation for a successful future. SCIB's Protégé program was approved by the Ministry of Entrepreneur Development and Cooperatives ("MEDAC"), and during the financial year, the Group accepted 58 protégés under the Terengganu Project and 8 proteges under the Tebedu project to join the program.

SUSTAINABILITY STATEMENT

(CONT'D)

ECONOMIC & GOVERNANCE —



SCIB recognises the importance of positive economic performance and understands that good governance contributes to an organisation's economic growth. We are committed to sustainability and uphold our values of effectiveness, efficiency, innovation, creativity, transparency, reliability, integrity, and quality. These values reflect our dedication to providing the best products and services while ensuring sustained growth.

SCIB has initiated a sustainability journey by strengthening its corporate governance framework. This framework governs the policies, processes, and procedures that uphold the company's integrity in its engagement with stakeholders. At the core of the Corporate Governance framework is the Board oversight, and the respective Board committees assist the Board with delegated functions, roles, and responsibilities.

The company has established an effective Corporate Governance structure and relevant policies such as Anti-Bribery and Anti-Corruption policies, Whistleblowing policies, Risk Management Framework, and terms of reference for each Board committee. The company has also implemented a risk management process that identifies risks associated with the company's strategic direction and day-to-day operations. In response, appropriate internal controls are put in place to address, mitigate, and manage these identified risks.

The Board is supported by experienced, qualified, and competent company secretaries and corporate governance consultants, Salihin Consulting Group Sdn. Bhd. They provide sound advice and the latest updates on listing requirements and the Malaysian Code on Corporate Governance ("MCCG") best practices.

We also set up a proper forum for dialogue with shareholders to provide sufficient opportunity for them to inquire about the company's activities and prospects and communicate their expectations and concerns. We organise regular investor briefings with research analysts and fund managers to share the company's business updates and conduct virtual annual general meetings with shareholders to facilitate engagement without restrictions on place/venue.

Furthermore, the management ensures that the latest news, announcements, and quarterly results are published on the company's website, allowing shareholders to access information about the company's business activities, financial performance, and prospects.

SUSTAINABILITY STATEMENT

(CONT'D)

Our Key Targets and Achievements

Our Key Targets



Our Achievements

As part of our Corporate Governance, we have put into action strategically designed initiatives to ensure SCIB’s business operations comply with ethical values and can bring benefit to society, especially communities that are within the vicinity of our operations.

SCIB has put in place a set of governance policies to maintain robust governance in social, economic, governance and environmental matters, which include as follows:

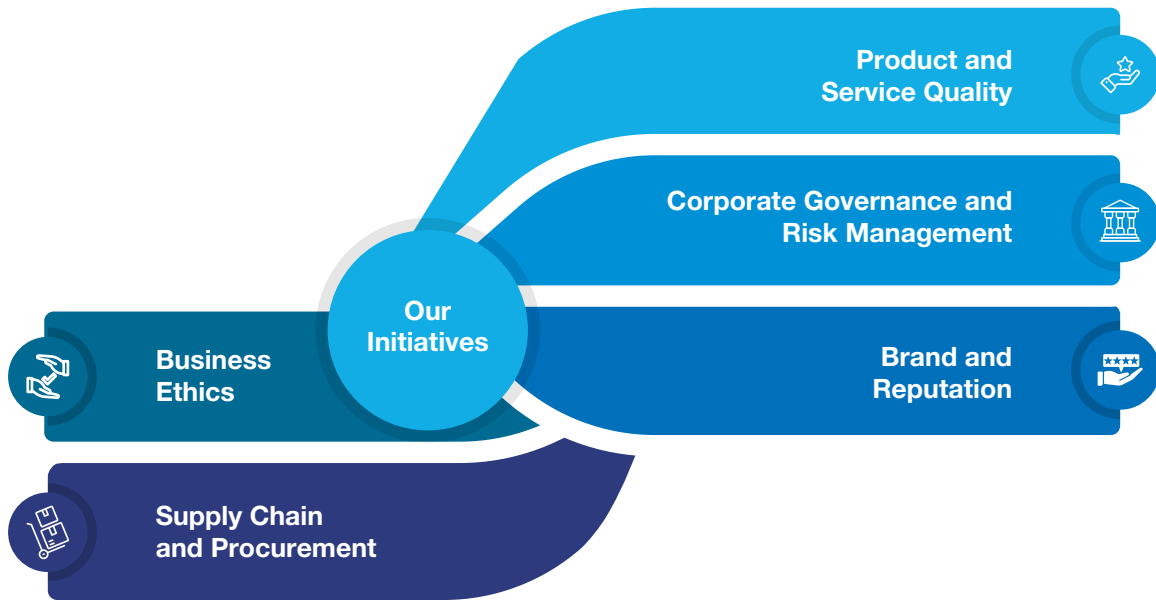
- Board Charter
- Whistleblowing Policy
- Anti-Bribery & Anti-Corruption Policy
- Internal Control Framework
- Risk Management Framework
- Fit & Proper Policy
- Terms of Reference for Audit Committee
- Terms of Reference for Investment Committee
- Terms of Reference for Risk Management Committee
- Terms of Reference for Credit Control Committee
- Terms of Reference for Remuneration & Nomination Committee
- Terms of Reference for C-Suites Committee
- Terms of Reference for Long Term Incentive Plan Committee
- Human Resource Policy
- Health, Safety and Environment Policy
- Waste Management and Recycling Policy and Procedure
- Employees’ Handbook
- Personal Data Protection Act 2010 (“PDPA”) Notice

In 2024, the Company received zero whistleblowing reports, zero reported cases of corruption, Zero non-compliance with laws and regulations in the social and economic area, and Zero complaints concerning breaches of customer privacy and losses of customer data.



SUSTAINABILITY STATEMENT

(CONT'D)



Our Challenges

Global economic slowdown and political instability

Low market acceptance and cost-effectiveness of the new technology to support the construction industry

Customers' unwillingness to participate in the customer satisfaction survey and the results gathered do not fairly represent the customer population

Supplier evaluations that are not conducive to supporting a fair analysis

Lack of transparency in reporting corporate governance matters and lack of accountability can lead to corruption, fraud and negligence

Limitations on the ability to process information required to monitor the Corporate Governance state of a company

Extensive rules and regulations that may constrain the business activities and increase the cost of compliance

SUSTAINABILITY STATEMENT

(CONT'D)



Product and Service Quality



Better products and services

All of our products are certified with Quality Management System ISO9001:2015 by SIRIM QAS and NIOSH. This is the best quality assurance our existing and potential customers can rely on when they work with us.

As a one-stop centre for engineering and manufacturing solutions, we offer customers excellent value-added services such as professional advice and consultation, problem-solving, and customised solutions. Our in-house design team provides extended services covering a wide range of industry practices.

We continuously adopt technological advancements and pursue product innovation to develop and introduce new products and designs. Through these efforts, we have enhanced the quality of our products and improved overall performance. Additionally, we stay on top of trends and customer expectations by consistently engaging with customers to understand their needs and demands. This also allows us to gather first-hand feedback on our products or services.

Our top priority is customer safety. We can assure our customers that our incoming raw materials used in production will undergo a stringent quality inspection process. Our Quality, Health & Safety department validates the quality of purchased raw materials, engineering parts, or components based on specific criteria. Additionally, our factories are equipped with regularly maintained automated machinery and a batching plant facility. Combined with an efficient plant layout, we strive for a smooth production process to consistently meet precast concrete product standards and relevant specifications.

We are committed to providing a suitable and controlled working environment and have proper procedures in place for finishing, curing, stacking, storing, handling, and transporting concrete products. Our quality inspectors are well-trained to conduct final inspections of finished goods before shipment or delivery to ensure they meet desired specifications and concrete strength. If any non-conforming goods are identified, they will be isolated for repair or rejection to prevent defective products from reaching customers and to maintain safety standards.

Through the Engineering, Manufacturing, Construction and Commissioning (“EMCC”) strategy adopted in 2020 by the construction division of the Group, we are positioning to become a one-stop integrated provider of civil construction. This strategy also leverages on our manufacturing division’s precast concrete and IBS products. Our subsidiary, SIBS, is certified G7 by CIDB and also have Sijil Taraf Bumiputera (“STB”) license, Perbendaharaan Malaysia Sarawak (“MOF”) License, Sijil Perolehan Kerja Kerajaan (“SPKK”) license or the Government Work Procurement Certificate.

Three of our wholly-owned subsidiaries, SIBS and SCIB Properties Sdn. Bhd. (“SCIBP”) and SCIB Infracore Sdn. Bhd. (“SCIBI”), which comes under the Construction division, were identified to pursue qualifications and licenses to become full-fledged construction specialists. These wholly-owned subsidiaries are now licensed or have received specialisation codes, Bumiputra status licenses, ISO certifications, and other relevant accreditations.

SCIB’s wholly owned subsidiary, SCIB LW System Sdn. Bhd. (“SCIBLW”), is a supplier and installer of prefabricated lightweight system products, including but not limited to carrying out engineering, procurement, construction, and commissioning (“EPC”) contracts. We completed the installation of the lightweight system plant in July 2021 to produce the IBS lightweight steel frame wall panel, steel roofing truss and form light concrete block. Targeted customers are building developers, contractors and Sekolah Daif Sarawak. We also have a wholly-owned subsidiary company, SCIB Building Solutions Sdn. Bhd. (“SCIBBS”) for the purpose of exploring the business opportunities in Peninsular Malaysia.

In 2024, our manufacturing segment successfully commissioned a new precast concrete production plant in Lawas, Sarawak. The plant is strategically located to support construction and development projects in the blossoming region of Lawas. This new facility provides SCIB with the opportunity to access the North Borneo and Sabah markets, offering logistical cost benefits. The plant has an annual production capacity of 32,000 metric tons, focusing mainly on producing precast box culverts, RC square piles, and IBS components.

SUSTAINABILITY STATEMENT

(CONT'D)

The Company had also, on 27 September 2024, signed a Memorandum of Understanding (“MoU”) with MyArch Sdn. Bhd. to establish a strategic alliance for exploring a working relationship and cooperation to combine skills, expertise, capabilities, and experience, collectively bid for projects in Malaysia. The collaboration, known as the SCIB-MYARCH Borneo Consortium, focuses on marketing and supplying MyArch’s advanced technology products, including segmental bridge systems and LS girders, for infrastructure projects across Sarawak. This collaboration aims to revolutionise bridge construction in Sarawak, addressing unique infrastructure needs with precision and innovation. We aim to build bridges that serve as gateways to aspirations, opportunities, and a brighter future through innovative solutions. We believe this will bring together two teams with core expertise and knowledge in construction and engineering that will give an edge to projects undertaken jointly and deliver high-quality, innovative solutions tailored to local needs.



3D printing
Technology

We are confident that our newly acquired 3D printing technology will produce products that complement our existing product range to serve our customers better. Conceivably, 3D printing products offer the benefits of flexible and complex design, rapid prototyping, promoting printing on demand, strong, lightweight, fast delivery and minimal wastage. Nevertheless, we are proud to have the technical support from COBOD, a world leader in 3D construction printing solutions and with our in-house technical team, we endeavour to deliver quality 3D printed structures. Currently, our team is exploring with Akademi Binaan Malaysia (“Sarawak”) Sdn. Bhd. (“ABM”) to devise the specification and relevant certification to commercialise the products in due time.



Corporate Governance and Risk Management



The board of directors is the cornerstone of corporate governance. It represents the interests of various stakeholders and provides oversight of executive leadership and administration. The Board is made up of members with diverse experiences, backgrounds, qualifications, skills, expertise, and demographic factors to effectively lead the company. Most of the Board consists of independent directors who offer unbiased advice, views, and perspectives based on their objective judgment. The Company also manages conflict of interest through quarterly declarations by the directors to ensure adequate checks and balances in the proceedings of the Board in compliance with corporate governance best practices and guidelines.

We are committed to achieving good corporate governance and a code of conduct with transparency and ethical integrity in our engagements with various stakeholders through various communication channels such as regular meetings, timely disclosure to Bursa Malaysia Securities Berhad, annual general meetings and annual reports. Our Board of Directors oversee the conduct of the Company’s business providing governance of the Group’s affairs and direction to optimise development, growth and performance.

We have adopted effective risk assessment and management systems to identify, assess, and mitigate threats or uncertainties that can affect the organization. The board will assess the effectiveness of the risk management process every quarter of the year to ensure that the group has adequate and reliable internal controls in place to manage identified risks. This evaluation will take into account economic, environmental, and social impacts with the goal of ensuring long-term viability.

We applied the Fit and Proper policy setting out the criteria for the appointment, re-appointment and/ or re-election of Directors of SCIB and its subsidiaries. This policy will provide guidelines and procedures to ensure each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/ her role as a Director of SCIB and its subsidiaries.

Currently, we have one woman director on board, Dr Dang Nguk Ling who joined SCIB as the independent non-executive director of the company with effect from 28 June 2023. Her appointment as a director brings gender diversity to the boardroom. For instance, the presence of women on boards could enhance corporate governance practices and bring gender perspectives in the decision-making process to drive better market and company performance. The Company’s Board gender diversity clearly demonstrates the company’s commitment to women’s rights and equality.

SUSTAINABILITY STATEMENT

(CONT'D)



Anti-Bribery and Anti-Corruption



With the introduction of Corporate Liability in the amendment to the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”), which became effective on 1 June 2020, the Group has taken proactive actions to ensure that it has adequate procedures in place designed to prevent associated persons from conduct that could trigger the newly introduced Section 17A of the MACC Act, 2009. We also published our Anti-Bribery and Anti-Corruption (“ABAC”) tagline, “Arrest Corruption and Enhance Productivity”, as a statement on the banner, poster and the corporate website. We have our continuous ABAC training and awareness programme and ongoing ABAC briefing conducted during the monthly assembly and include ABAC as part of the orientation sessions for newly joined employees. On 15 July 2024, the Company held an in-house refresher program on ABAC to foster integrity and encourage ethical and transparent behaviour and conduct. The event was attended by directors and senior management.



Stakeholder Engagement



At SCIB Group, we utilize media releases to disseminate valuable information about recent developments, achievements, and advancements within our organisation to our customers, suppliers, employees, investors, and other key stakeholders. These media releases serve as essential marketing tools, enhancing our sales potential and attracting potential investors.

During the financial year ended 30 June 2024, our Company issued several media releases on the acceptance of letters of award (“LOA”) and EPCC contracts. Notable examples include the award of an EPCC contract for securing a revised contract worth RM162 million for the Cadangan Membina dan Menyiapkan 632 Unit Perumahan Rakyat 1 Malaysia (“PRIMA”) Fasa 1 project in Kubang Kerian, Kota Bahru, Kelantan, in April 2024. Additionally, in the same month, we made a significant advancement in our contractual relationship with Awana JV Suria Saga Sdn. Bhd. by entering into a Settlement cum Appointment of Contractor Agreement. This agreement aims to strengthen SCIB’s position within the construction sector by resolving previous contractual and financial disagreements and positioning SCIB as the exclusive Main Contractor for the Cadangan Skim Perumahan Projek Penjawat Awam (“PPAM Muallim”) project.

Earlier, in December 2023, we secured a substantial RM16.8 million sub-contract from S&I Urban Designers Sdn. Bhd. for the supply and delivery of precast components for the apron and taxiway of Projek Pembinaan Pangkalan Pasukan Gerakan Udara PDRM Sarawak. Additionally, we issued media releases to announce our quarterly financial results.

Through these media releases, we aim to keep our stakeholders informed and engaged, demonstrating our ongoing commitment to transparency and excellence in all our endeavours.



Market briefings serve as a crucial platform for the Group to engage with research analysts and fund managers, enabling us to share our business updates relevant to the analyst coverage area and provide information for their research reports. These briefings, organised on a quarterly basis or as needed, offer an opportunity for us to showcase our business profile, products, recent advancements, and prospects to research analysts, fund managers, and their sales teams.

We conducted several investor briefings and factory visits during the financial year ended 30 June 2024, fostering meaningful dialogue and knowledge sharing. These events occurred on 1 December 2023, 17 January 2024, 19 February 2024, and 1 March 2024. Each session provided a comprehensive overview of our business and served as an opportunity to update the investment community on our progress, achievements, and future outlook.

SUSTAINABILITY STATEMENT

(CONT'D)



Corporate website and corporate video

We have also revamped our corporate website to provide a refreshing new interface with stakeholders and enhance the website's viewability and efficiency for a better navigation experience. We launched our corporate video as an effective communication platform to promote and raise awareness about the Group's business, background, and key milestones.

We also took off a new video showcasing the process of printing the 3D sample house and presented it during the Memorandum of Understanding ("MoU") signing ceremony with ABM on 4 October 2022. The video aims to promote and raise awareness of the 3D printing technology among the developers, contractors, consultants and the general public.



Social Media

Recognising the transformative power of technological advancements in communication, our Group acknowledges the ever-increasing importance of social media interactions in our daily lives and business engagements. We are dedicated to actively engaging with and updating our social media platforms, particularly LinkedIn, to enhance visibility and foster meaningful connections within our valuable network.

As a testament to our commitment to transparency, we consistently release timely media announcements regarding the receipt of Letters of Acceptance ("LoAs") and our Corporate Social Responsibility ("CSR") initiatives to raise public awareness. Furthermore, we embrace Malaysia's vibrant multiculturalism by sharing warm and heartfelt season greetings on LinkedIn during every festive occasion.

Our active presence on social media not only helps us strengthen our connections with our stakeholders but also showcases our dedication to keeping them informed and engaged about our group's latest developments and achievements.



General Meeting

The Company shall call for the Annual General Meeting once a year as a forum for communication with shareholders, where the Company will allocate time for questions and answers to address their expectations and concerns. An AGM facilitates open communication between shareholders and management and promotes accountability. Members of the Board, the external auditors, senior management and/ or advisers of the Company will be present to address queries relevant to the proposed resolutions at the general meetings.

In the Company's general meetings, shareholders will resolve essential business affairs under the company's law, rules and regulations by either approving or rejecting the proposed resolutions. Extraordinary meetings will be called to address urgent matters that are not resolved at the Annual General Meeting. Each special item of business mentioned in the Notice of General Meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate the evaluation of the proposed resolution.

During the year ended 30 June 2024, the Company had one Annual General Meeting ("AGM") held virtually on 11 December 2023 to receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the directors' and auditors' thereon and to approve the payments of directors' fees and benefits as well as for re-election of directors in accordance with Article 122(1) and Article 127 of the Company's Constitution. The AGM also sought the shareholders' approval for the reappointment of Kreston John & Gan as the auditors and to authorise the Directors to fix their remuneration.

We also held an Extraordinary General Meeting ("EGM") on 27 March 2024 for the approval of the proposed debt capitalisation and establishment of a Long-Term Incentive Plan ("LTIP").

SUSTAINABILITY STATEMENT

(CONT'D)

Business ethics

We have established a Code of Conduct to provide our employees with clear guidelines for making daily decisions and conducting business. Effective April 1, 2020, we have put in place Anti-Corruption measures in alignment with the government’s initiative to combat bribery. We also have whistleblowing policies in place to support transparency, compliance, and ethical behaviour.

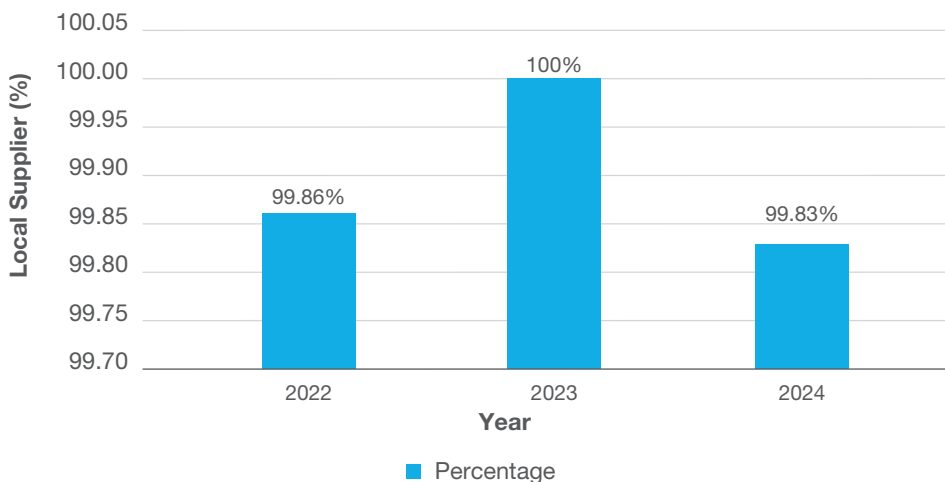
Supply chain and procurement

We adhere to business policies and processes that are fair, unbiased and consistently applied. We engage in ethical procurement procedures, good management practices, and internal control systems and promote transparency, emphasising corporate accountability. We exercise due care and business professionalism in all communications within our supply chain to foster good relationships with customers and suppliers while avoiding behaviours or actions that may negatively impact supply management decisions.

SCIB deals with a good, reliable, and diverse range of suppliers to ensure high-quality materials are used for production. Our quality Assurance team inspects materials to ensure they meet desired quality standards. We evaluate our suppliers once a year in terms of quality, pricing, and services.

The supply chain review for our manufacturing division is conducted annually in conjunction with ISO 9001 requirements for Management Review. The review for FY2023/2024 was conducted on 2 August 2024 and indicated that the supply chain was adequate and demonstrated effectiveness in supporting the Group’s operations.

Proportion of Spending on Local Suppliers



At SCIB, we support local economic growth by engaging with local suppliers and contractors for better control, cost-effectiveness and logistical benefits. For the financial year ended 30 June 2024, 99.83% of our major suppliers and contractors are local, as in the financial year ended 30 June 2023. When materials are procured from local sources, their transportation involves shorter distances, leading to reduced fuel consumption and lower carbon emissions released into the atmosphere. This reduction in carbon emissions plays a pivotal role in addressing climate change, as transportation stands as a significant contributor to greenhouse gas emissions.

SUSTAINABILITY STATEMENT

(CONT'D)

We have conducted thorough pre-qualification reviews of our subcontractors and suppliers to ensure that the construction contractors possess the requisite skills, experience, qualifications, and resources to effectively deliver the project within reasonable costs. Additionally, we have ensured that our vendors consistently provide quality products and services in a timely manner, with the aim of mitigating the risks associated with project delays and costly modifications. We regularly review our subcontractors' performances by monitoring through site meetings, and we evaluate completed projects for quality, timeliness and cost effectiveness, creating a track record for future engagements.



Data Privacy and Security



At SCIB, we have established our Information Technology ("IT") to control access and safeguard our trade and customers' confidential and sensitive data. The policy covers guidelines for software and internet usage, anti-virus protection, physical access to IT facilities/ hardware and data recovery process. According to the policy, only authorised users have the privilege to access and use SCIB IT resources, and the use is limited to purposes aligned with the Company's interest. All users are expected to respect the privacy and personal rights of others and to uphold professionalism when using IT Resources to communicate. Users are prohibited from using IT resources for personal financial gain or in a manner that could jeopardise the Company's reputation.

Any IT system that stores and processes highly sensitive data, such as the main servers, is housed in secure locations, protected with appropriate security structures and entry controls to prevent unauthorised access, damage and interference. Besides, physical access to essential computer hardware and networks is restricted based on job role and legitimate business needs. Access to customer personal data is restricted to authorised personnel within our operations. Our IT department conducts annual reviews of user access to business systems across departments to maintain security standards. They shield the organisation from phishing and cyberattacks by continuously monitoring email systems and ensuring the update of firewalls. Employees are issued reminders and alert notifications upon detection of suspicious emails.



This Statement was approved by the Board of Directors on 14 October 2024.

SUSTAINABILITY STATEMENT

(CONT'D)

SUSTAINABILITY PERFORMANCE DATA TABLE

("In Compliance with the Enhanced Sustainability Reporting Guidelines Issued by Bursa Securities Berhad")

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	8.57
Executive	Percentage	44.29
Non-executive/Technical Staff	Percentage	28.57
General Workers	Percentage	18.57
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	58,857.45
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	259
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	73.00
Management Above 50	Percentage	27.00
Executive Under 30	Percentage	20.00
Executive Between 30-50	Percentage	72.00
Executive Above 50	Percentage	8.00
Non-executive/Technical Staff Under 30	Percentage	33.00
Non-executive/Technical Staff Between 30-50	Percentage	47.00
Non-executive/Technical Staff Above 50	Percentage	20.00
General Workers Under 30	Percentage	32.00
General Workers Between 30-50	Percentage	43.00
General Workers Above 50	Percentage	25.00
Gender Group by Employee Category		
Management Male	Percentage	73.00
Management Female	Percentage	27.00
Executive Male	Percentage	37.00
Executive Female	Percentage	63.00
Non-executive/Technical Staff Male	Percentage	75.00
Non-executive/Technical Staff Female	Percentage	25.00
General Workers Male	Percentage	97.00
General Workers Female	Percentage	3.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	89.00
Female	Percentage	11.00
Under 30	Percentage	0.00
Between 30-50	Percentage	57.00
Above 50	Percentage	43.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,403.76

SUSTAINABILITY STATEMENT

(CONT'D)

Indicator	Measurement Unit	2024
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.27
Bursa C5(c) Number of employees trained on health and safety standards	Number	121
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	250
Executive	Hours	392
Non-executive/Technical Staff	Hours	342
General Workers	Hours	636
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	34.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	5
Executive	Number	10
Non-executive/Technical Staff	Number	18
General Workers	Number	9
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.83
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.060000



**FINANCIAL
STATEMENTS**

5

DIRECTORS' REPORT

For the financial year ended 30 June 2024

The directors hereby submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, provision of management services, engineering, procurement, construction and commissioning ("EPCC"). The principal activities of the subsidiary companies and an associate company are set out in Notes 7 and 8 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year attributable to:-		
- Owners of the Company	4,481,877	(12,718,974)
- Non-controlling interests	343,730	-
	4,825,607	(12,718,974)

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year.

The Directors do not recommend any dividend for the financial year ended 30 June 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the Group or in the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

For the financial year ended 30 June 2024
(CONT'D)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist : -

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the current financial year.

SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM166,258,892 to RM177,560,159 by way of capitalisation of an aggregate amount of RM11,301,267 debt owing to Goh Hardware & Construction Sdn. Bhd. by one of its subsidiary company, SCIB Properties Sdn. Bhd. via issuance of 18,496,345 new ordinary shares at an issue price of RM0.611 each capitalised share.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issues of debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT

For the financial year ended 30 June 2024
(CONT'D)

DIRECTORS OF THE COMPANY

The directors of the Company in office at any time during the financial year until the date of this report are : -

YBhg. Dato' Sri Zaini Bin Jass	(Appointed on 11 December 2023)
Ku Chong Hong	
Chiew Jong Wei	(Appointed on 11 December 2023)
Sr. Mohd Nazri Bin Mat Noor	
YBhg. Dato' Tan Bok Koon	(Appointed on 11 December 2023)
Liaw Way Gian	
Kang Wei Luen	
Dr. Dang Nguk Ling	
Yak Boon Tiong	(Appointed on 29 February 2024)
Abang Abdillah Izzarim Bin Datuk Patinggi	
Tan Sri Abang Haji Abdul Rahman Zohari	(Retired on 11 December 2023)
Shamsul Anuar Bin Ahamad Ibrahim	(Resigned on 11 December 2023)
Toh Beng Suan	(Retired on 11 December 2023)
Chin Choon Wei	(Resigned on 27 November 2023)

DIRECTORS OF THE SUBSIDIARY COMPANIES

The directors of the subsidiary companies (excluding directors who are also directors of the Company) in office at any time during the financial year until the date of this report are : -

Chai Tze Khang	
Iverson Kwee	
Mohd Rasid Bin Othman	
Abdul Razi Bin Kassim	(Appointed on 24 January 2024)
Mohd Faiz Bin Hafidz	(Appointed on 27 May 2024)
Rosland Bin Othman	(Resigned on 3 October 2023)
Mohd Ariff Bin Samat	(Resigned on 3 October 2023)
Ahmad Ghazali Bin Abas	(Resigned on 27 May 2024)

DIRECTORS' INTERESTS

According to the register of directors' shareholding under Section 59 of the Companies Act, 2016, the interests of directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations during the financial year are as follows : -

	No. of ordinary shares			As at 30.6.2024
	As at 1.7.2023	Bought	Sold	
<u>Share capital of the Company</u>				
Shareholdings in which director has direct interest in the Company : -				
Ku Chong Hong	1,156,000	200,000	-	1,356,000
Liaw Way Gian	3,910,100	1,809,000	-	5,719,100
YBhg. Dato' Tan Bok Koon	*1,029,000	2,100,000	-	3,129,000

* Date appointed as a Director

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in the securities of the Company and shares of its related corporations during the financial year.

DIRECTORS' REPORT

For the financial year ended 30 June 2024
(CONT'D)

INDEMNIFYING DIRECTORS AND OFFICERS OR AUDITORS

The Directors and Officers of the Group and of the Company are covered by Directors' and Officers' Liability Insurance ("DOL Insurance") under Section 289 of the Companies Act, 2016. The total insured limit for the DOL Insurance effected for the Directors and Officers of the Group and of the Company was RM10,000,000. The insurance premium for the DOL Insurance paid during the financial year amounted to RM22,000.

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by director as shown below, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of the remuneration paid to or receivable by the directors of the Group and of the Company in respect of the financial year ended 30 June 2024 are as follows : -

	Group RM	Company RM
Directors' fee	95,530	95,530
Salaries, bonuses and other benefits	1,318,725	944,779
Employee provident fund	163,531	119,851
Social security cost	3,120	2,080
Employment insurance system	356	237
	1,581,262	1,162,477

There were no arrangements during and at the end of the financial year, to which the Company or its subsidiary companies is a party, which had the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS

The details of significant events are disclosed in Note 41 to the financial statements.

SUBSEQUENT EVENTS

The details of subsequent events are disclosed in Note 42 to the financial statements.

DIRECTORS' REPORT

For the financial year ended 30 June 2024
(CONT'D)

AUDITORS

- a) The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 are as follows : -

	Group RM	Company RM
Auditors' remuneration:-		
- Kreston John & Gan		
- statutory audit	291,000	85,000
- other services	13,000	13,000
- other auditors	17,844	-
	321,844	98,000

- b) The auditors, Kreston John & Gan, Chartered Accountants, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors

Ku Chong Hong

Chiew Jong Wei

Kuala Lumpur,
Date : 14 October 2024

INDEPENDENT AUDITORS' REPORT

To the members of Sarawak Consolidated Industries Berhad
(Incorporated in Malaysia, Registration No. 197501003884 (25583-W))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sarawak Consolidated Industries Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 147 to 232.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company of the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

(Refer to summary of Material accounting policy information in Note 3(h) and the disclosure of revenue in Note 22 to the financial statements)

Revenue is one of the significant accounts in the financial statements and also an important driver of the Group's operating results. We identified revenue recognition to be an area of audit focus as it is to be a possible cause of higher risk of material misstatements in the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

Construction Contracts

The Group recognises construction contracts revenue in the statement of profit or loss and other comprehensive income by using the input method. The input method is measured by reference to the proportion of actual costs incurred for work performed to-date to the estimated total costs for the project.

Construction contracts accounting is inherently complex and we focused on this area because there are significant estimates and judgement involved in the following areas : -

- Determination of stage of completion;
- Extent of construction costs incurred to date;
- Estimation of total budgeted costs; and
- Estimation of provision due to liquidated ascertained damages as a reduction of revenue.

INDEPENDENT AUDITORS' REPORT

To the members of Sarawak Consolidated Industries Berhad
(Incorporated in Malaysia, Registration No. 197501003884 (25583-W))
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key Audit Matters (cont'd)

Revenue Recognition (cont'd)

Trading of manufactured goods

The Group is also involved in voluminous transactions, whereby there is a risk that revenue may be over or understated.

Our procedures to address this area of audit focus include, amongst others, the following : -

- Reviewed the operating effectiveness of the Group's internal controls over timing and amount of revenue recognised;
- Reviewed the reasonableness of the stage of completion and estimated total construction costs for the Group's projects;
- Reviewed the accuracy of the construction costs to date for the Group's projects and the revenue and costs recognised in the statement of profit or loss and other comprehensive income;
- Reviewed the documents which evidenced the delivery of goods and services to customers;
- Reviewed the sales transactions as well as credit notes issued, near to the financial year end to assess whether the revenue was recognised in the correct financial period; and
- Physically visited the project site for significant project.

Expected Credit Loss on Trade Receivables and Contract Assets

(Refer to the disclosure of expected credit loss in Note 35(c)(i) to the financial statements)

As at 30 June 2024, the Group recorded trade receivables and contract assets totaling RM40,279,025 and RM15,751,771 respectively.

The recoverability of trade receivables and contract assets and the level of allowance for impairment losses of doubtful receivables are considered to be key audit matter due to the pervasive nature of these balances to the financial statements.

The level of allowance of impairment losses is based upon the debtor's credit risk evaluation, historical payment trends, subsequent to financial year end collections and the existence of financial guarantees. The evaluation is however inherently judgemental and requires material estimates, including the loss rate used in the calculation of Expected Credit Loss ("ECL").

Our procedures to address this area of audit focus include, amongst others, the following : -

- Obtained an understanding of the Group's control over the receivable collection process and how the Group identifies and assesses the impairment of receivables;
- Reviewed the ageing analysis of receivables and test the reliability thereof;
- Reviewed subsequent cash collections, customer correspondences, proposed or existing settlement plans, repayment schedule and considering explanation on recoverability with significantly overdue amounts; and
- Reviewed the reasonableness and adequacy of the allowance for expected credit losses made against doubtful receivables.

INDEPENDENT AUDITORS' REPORT

To the members of Sarawak Consolidated Industries Berhad
(Incorporated in Malaysia, Registration No. 197501003884 (25583-W))
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key Audit Matters (cont'd)

Property, plant and equipment ("PPE")

(Refer to summary of Material accounting policy information in Note 3(d) and the disclosure of PPE in Note 5 to the financial statements)

The carrying amount of the Group's PPE amounted to RM135,180,235, representing 47% of the Group's total assets as at 30 June 2024.

Our procedures to address this area of audit focus include, amongst others, the following : -

- Reviewed and checked the ownership and physical existence of selected PPE;
- Verified the addition of PPE to the supporting document and evaluated whether the capitalisation of PPE is consistent with the requirements of MFRS 116, *Property, Plant and Equipment*; and
- Assessed and reviewed whether there is any indication that the assets may be impaired and the adequacy of impairment loss on the PPE in accordance to the requirements of MFRS 136 *Impairment of Assets*.
- Evaluated the competency, capabilities and objectivity of the external independent valuers which included consideration of their qualifications and experience;
- Understood the scope and purpose of the valuation by reading the terms of engagement to assess whether any matters that might have affected their objectivity or limit the scope of their work; and
- Read the valuation reports for all significant properties and discussed with external independent valuers on their valuation approach and the significant judgements they made, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

To the members of Sarawak Consolidated Industries Berhad
(Incorporated in Malaysia, Registration No. 197501003884 (25583-W))
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

To the members of Sarawak Consolidated Industries Berhad
(Incorporated in Malaysia, Registration No. 197501003884 (25583-W))
(CONT'D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Kreston John & Gan
(AF 0113)
Chartered Accountants

Yong Chung Sin
Approval No: 02892/04/2026 J
Chartered Accountant

Kuala Lumpur,
Date : 14 October 2024

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	5	135,180,235	46,882,277	42,709,127	5,744,916
Investment properties	6	2,235,417	2,380,417	-	-
Investment in subsidiary companies	7	-	-	108,362,863	41,556,047
Investment in an associate company	8	-	-	-	-
Total Non-current Assets		137,415,652	49,262,694	151,071,990	47,300,963
Current Assets					
Inventories	9	23,030,243	22,735,544	-	-
Trade receivables	10	40,279,025	44,757,364	-	-
Other receivables, deposits and prepayments	11	33,347,998	25,240,394	1,308,957	376,829
Contract assets	12	15,751,771	6,193,541	-	-
Amount due from subsidiary companies	13	-	-	14,499,226	73,455,789
Current tax assets		407,759	448,516	162,408	224,448
Fixed deposits with licensed banks	14	10,808,088	10,420,927	5,358,328	5,214,458
Cash and bank balances		24,307,586	29,688,089	331,677	1,690,456
Total Current Assets		147,932,470	139,484,375	21,660,596	80,961,980
Total Assets		285,348,122	188,747,069	172,732,586	128,262,943

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024
(CONT'D)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	177,560,159	166,258,892	177,560,159	166,258,892
Reserves	16	51,635,445	(1,620,774)	11,984,518	-
Accumulated losses		(78,214,222)	(81,980,231)	(52,376,404)	(39,903,157)
		150,981,382	82,657,887	137,168,273	126,355,735
Non-controlling interests		1,208,685	864,955	-	-
Total Equity		152,190,067	83,522,842	137,168,273	126,355,735
Non-current Liabilities					
Other payables	17	11,835,276	141,976	11,696,813	8,737
Borrowings	18	22,613,284	21,810,006	-	-
Lease liabilities	19	281,695	370,790	97,405	221,843
Deferred tax liabilities	20	16,622,369	593,206	3,784,585	-
Total Non-current Liabilities		51,352,624	22,915,978	15,578,803	230,580
Current Liabilities					
Trade payables	21	32,198,070	48,716,100	-	-
Other payables and accruals	17	14,025,715	5,107,291	4,798,206	1,461,128
Contract liabilities	12	532,162	816,449	-	-
Amount due to a subsidiary company	13	-	-	15,062,866	97,000
Borrowings	18	34,769,916	26,634,828	-	-
Lease liabilities	19	129,752	87,921	124,438	118,500
Current tax liabilities		149,816	945,660	-	-
Total Current Liabilities		81,805,431	82,308,249	19,985,510	1,676,628
Total Liabilities		133,158,055	105,224,227	35,564,313	1,907,208
Total Equity and Liabilities		285,348,122	188,747,069	172,732,586	128,262,943

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	22	166,624,173	132,044,551	5,268,881	6,042,222
Cost of sales		(131,188,731)	(110,041,146)	-	-
Gross profit		35,435,442	22,003,405	5,268,881	6,042,222
Other operating income	23	1,356,431	1,447,224	2,232,940	2,425,733
Administrative expenses		(19,351,661)	(17,397,360)	(7,991,557)	(9,413,066)
Selling and distribution expenses		(8,008,625)	(6,986,284)	-	-
Net impairment losses in investment in subsidiary	7	-	-	(10,193,184)	-
Net impairment gain/(losses) on financial assets and contract assets	24	793,024	(19,074,864)	(1,461,993)	(14,863,474)
Profit/(Loss) from operations		10,224,611	(20,007,879)	(12,144,913)	(15,808,585)
Finance costs	25	(2,539,738)	(2,074,064)	(170,671)	(46,307)
Profit/(Loss) before taxation	26	7,684,873	(22,081,943)	(12,315,584)	(15,854,892)
Income tax expense	29	(2,859,266)	(1,559,741)	(403,390)	(250,979)
Profit/(Loss) for the financial year		4,825,607	(23,641,684)	(12,718,974)	(16,105,871)
Other comprehensive income/(loss), net of tax					
<u>Items that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		(161,576)	(771,829)	-	-
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Revaluation of land and building, net of deferred tax		54,884,202	-	12,230,245	-
Total other comprehensive income/(loss) for the financial year		54,722,626	(771,829)	12,230,245	-
Total comprehensive income/(loss) for the financial year		59,548,233	(24,413,513)	(488,729)	(16,105,871)
Profit/(Loss) after taxation attributable to : -					
Owners of the Company		4,481,877	(24,330,339)	(12,718,974)	(16,105,871)
Non-controlling interests		343,730	688,655	-	-
		4,825,607	(23,641,684)	(12,718,974)	(16,105,871)
Total comprehensive income/(loss) attributable to : -					
Owners of the Company		59,204,503	(25,102,168)	(488,729)	(16,105,871)
Non-controlling interests		343,730	688,655	-	-
		59,548,233	(24,413,513)	(488,729)	(16,105,871)
Earnings/(Loss) per share (sen) : -					
Basic	30	0.70	(4.14)		
Diluted	30	0.70	(4.14)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2024

Group	Note	Non-distributable		Distributable		Foreign exchange translation reserve	Share Revaluation Reserve	Accumulated losses	Total equity attributable to the owners of the Company		Non-controlling interests	Total equity
		RM	(Note 16)	RM	(Note 16)				Company	RM		
At 1 July 2022		153,623,689	-	(848,945)	(57,519,417)	95,255,327	(89,175)	95,166,152				
Loss for the financial year		-	-	-	(24,330,339)	(24,330,339)	688,655	(23,641,684)				
Other comprehensive loss for the financial year:-												
- foreign currency translation differences		-	-	(771,829)	-	(771,829)	-	(771,829)				(771,829)
Contributions by and distributions to owners of the Company:-												
- Issuance of shares	15	12,759,057	-	-	-	12,759,057	-	12,759,057				12,759,057
- Share issue expenses	15	(123,854)	-	-	-	(123,854)	-	(123,854)				(123,854)
Total transactions with owners of the Company		12,635,203	-	-	-	12,635,203	-	12,635,203				12,635,203
Changes in ownership interests:-												
- Acquisition of a subsidiary company with non-controlling interest		-	-	-	-	-	225,000	-	225,000			225,000
- Disposal of non-controlling interest		-	-	-	(130,475)	(130,475)	40,475	(90,000)				(90,000)
At 30 June 2023		166,258,892	-	(1,620,774)	(81,980,231)	82,657,887	864,955	83,522,842				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2024
(CONT'D)

Group	Note	Non-distributable		Distributable		Share capital RM	Revaluation Reserve RM (Note 16)	Foreign exchange translation reserve RM (Note 16)	Accumulated losses RM	Total equity attributable to the owners of the Company RM	Non-controlling interests RM	Total equity RM
		RM	RM	RM	RM							
At 1 July 2023		166,258,892	-	(1,620,774)	(81,980,231)	82,657,887	864,955	83,522,842				
Arising from change in accounting policy		-	-	-	(2,182,275)	(2,182,275)	-	(2,182,275)				(2,182,275)
Profit for the financial year		-	-	-	4,481,877	4,481,877	-	4,481,877			343,730	4,825,607
Other comprehensive loss for the financial year:-												
- Revaluation of land and building		-	54,884,202	-	-	54,884,202	-	-			-	54,884,202
- Crystallisation of revaluation reserve		-	(1,466,407)	-	1,466,407	-	-	-			-	-
- foreign currency translation differences		-	-	(161,576)	-	(161,576)	-	-			-	(161,576)
Contributions by and distributions to owners of the Company:-												
- Issuance of shares	15	11,301,267	-	-	-	-	-	-		11,301,267	-	11,301,267
At 30 June 2024		177,560,159	53,417,795	(1,782,350)	(78,214,222)	150,981,382	1,208,685	152,190,067				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2024
(CONT'D)

Company	Note	← Non-distributable →		Distributable	Total equity
		Share capital	Revaluation Reserve	Accumulated losses	
		RM	RM	RM	RM
			(Note 16)		
At 1 July 2022		153,623,689	-	(23,797,286)	129,826,403
Loss for the financial year		-	-	(16,105,871)	(16,105,871)
Contributions by and distributions to owners of the Company:-					
- Issuance of shares	15	12,759,057	-	-	12,759,057
- Share issue expenses	15	(123,854)	-	-	(123,854)
		12,635,203	-	-	12,635,203
At 30 June 2023		166,258,892	-	(39,903,157)	126,355,735
At 1 July 2023		166,258,892	-	(39,903,157)	126,355,735
Loss for the financial year		-	-	(12,718,974)	(12,718,974)
Revaluation of land		-	12,230,245	-	12,230,245
Crystallisation of revaluation reserve		-	(245,727)	245,727	-
Contributions by and distributions to owners of the Company:-					
- Issuance of shares	15	11,301,267	-	-	11,301,267
At 30 June 2024		177,560,159	11,984,518	(52,376,404)	137,168,273

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Profit/(Loss) before taxation		7,684,873	(22,081,943)	(12,315,584)	(15,854,892)
Adjustments for : -					
Bad debt written off		645	-	-	-
Depreciation of property, plant and equipment		7,320,742	5,674,664	852,464	1,031,517
Depreciation of investment properties		145,000	12,083	-	-
Impairment losses on:-					
- property, plant and equipment		-	267,716	-	-
- trade receivables		82,874	146,247	-	-
- other receivables		1,753,368	19,778,428	-	14,450,000
- contract assets		-	36,168	-	-
- amount due from subsidiary companies		-	-	1,781,993	413,474
- investment in subsidiary companies		-	-	10,193,184	-
Interest expense		2,539,738	2,074,064	170,671	46,307
Inventories written down		26,165	11,592	-	-
Property, plant and equipment written off		10,685	392,311	-	388,298
Loss/(Gain) on disposal of property, plant and equipment		197,873	(92)	-	-
Gain on lease modification		-	(17,340)	-	(17,340)
Interest income		(356,356)	(363,973)	(2,232,937)	(2,408,170)
Reversal of impairment losses on:-					
- trade receivable		(626,708)	(876,277)	-	-
- other receivables		(523,055)	(9,702)	(320,000)	-
- contract assets		(1,479,503)	-	-	-
Reversal of inventories written off		(3,081)	(21,803)	-	-
Reversal of inventories written down		-	(25,260)	-	-
Unrealised foreign exchange (gain)/loss		(158,031)	(761,161)	-	283
Operating profit/(loss) before working capital changes		16,615,229	4,235,722	(1,870,209)	(1,950,523)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2024
(CONT'D)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities (cont'd)					
Changes in working capital:-					
Inventories		(317,783)	(531,041)	-	-
Trade and other receivables		(4,316,389)	(15,724,377)	(612,128)	(6,422,071)
Contract assets		(8,078,727)	(579,965)	-	-
Trade and other payables		(11,682,105)	6,840,063	(911,678)	824,228
Contract liabilities		(284,287)	307,469	-	-
Amount due from subsidiary companies		-	-	57,174,570	(14,345,551)
Amount due to a subsidiary company		-	-	14,965,866	(1,156,837)
Cash (used in)/generated from operations		(8,064,062)	(5,452,129)	68,746,421	(23,050,754)
Interest paid		(2,539,738)	(2,074,064)	(170,671)	(46,307)
Interest received		356,356	363,973	2,232,937	2,408,170
Income tax paid		(4,212,601)	(1,407,618)	(460,570)	(373,098)
Income tax refunded		135,172	509,739	41,622	205,030
Net cash (used in)/generated from operating activities		(14,324,873)	(8,060,099)	70,389,739	(20,856,959)
Cash flows from investing activities					
Acquisition of subsidiary companies		-	-	-	(100,000)
Proceeds from disposal of property, plant and equipment		295,274	185	274	-
Purchase of property, plant and equipment	31	(10,309,486)	(410,000)	(5,787,689)	(70,444)
Increase in investment in subsidiary companies		-	-	(77,000,000)	-
(Increase)/Decrease in fixed deposits pledged to licensed banks		(387,161)	(4,733,825)	(143,870)	301,478
Net cash (used in)/from investing activities		(10,401,373)	(5,143,640)	(82,931,285)	131,034
Cash flows from financing activities					
Disposal of non-controlling interests		-	(90,000)	-	-
Drawdown of bankers' acceptance		29,051,752	33,083,980	-	-
Drawdown of revolving credit		23,885,759	-	-	-
Net proceeds from acquisition of non-controlling interest		-	225,000	-	-
Net proceeds from issuance of ordinary shares		11,301,267	12,635,203	11,301,267	12,635,203
Repayment of bankers' acceptance		(33,594,773)	(34,495,527)	-	-
Repayment of hire purchase		(556,682)	(614,814)	-	-
Repayment of lease liabilities		(120,112)	(733,426)	(118,500)	(740,840)
Repayment of term loans		(638,665)	(2,561,258)	-	-
Repayment of revolving credit		(7,146,054)	-	-	-
Net cash from financing activities		22,182,492	7,449,158	11,182,767	11,894,363

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2024
(CONT'D)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Net decrease in cash and cash equivalents		(2,543,754)	(5,754,581)	(1,358,779)	(8,831,562)
Effect of foreign exchange translation		(164,578)	(778,010)	-	-
Cash and cash equivalents at beginning of the financial year		24,015,918	30,548,509	1,690,456	10,522,018
Cash and cash equivalents at end of the financial year	33	21,307,586	24,015,918	331,677	1,690,456

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

1. GENERAL INFORMATION

Sarawak Consolidated Industries Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The addresses of the registered office and principal place of business of the Company are as follows : -

Registered office and principal place of business : Lot 1258, Jalan Utama,
Pending Industrial Estate,
93450 Kuching, Sarawak.

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2024 comprise the Company and its subsidiary companies (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the financial year ended 30 June 2024 do not included other entities.

The Company is principally engaged in investment holding, provision of management services, engineering, procurement, construction and commissioning (“EPC”). The principal activities of the subsidiary companies and an associate company are set out in Note 7 and Note 8 to the financial statements respectively.

These financial statements were authorised for issue by the Board of Directors on 14 October 2024.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 2016 in Malaysia.

b) Adoption of new MFRSs, and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

The initial application of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group and the Company’s existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments required an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

2. BASIS OF PREPARATION (cont'd)

c) Amendments to MFRSs that have been issued, but yet to be effective

- (i) The Group and the Company has not adopted the following amendments to MFRSs that have been issued but yet to be effective:-

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability : Disclosures	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosure	1 January 2024 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investment in Associates and Joint Ventures	Deferred

- (ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

2. BASIS OF PREPARATION *(cont'd)*

c) Amendments to MFRSs that have been issued, but yet to be effective *(cont'd)*

- (ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below. *(cont'd)*

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including : -

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognized. The Amendments permit an entity to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about the covenants in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

2. BASIS OF PREPARATION *(cont'd)*

c) Amendments to MFRSs that have been issued, but yet to be effective *(cont'd)*

- (ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below. *(cont'd)*

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments : Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

Amendments to MFRS 121 The Effect of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

- (iii) The Group and the Company are currently performing analysis to quantify the financial effects arising from adoption of the new MFRS and amendments/improvements to MFRSs.

d) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

e) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

a) Basis of consolidation

i) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to Group.

ii) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

iii) Associates

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.

b) Separate financial statements

In the Company's statement of financial position, investment in subsidiary companies is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

Contributions to subsidiary companies are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future are, in substance, considered as part of the Company's investment in the subsidiary companies.

c) Financial instruments

Financial assets – subsequent measurements and gains and losses

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurements and gains and losses

The Group and the Company classify the financial liabilities at amortised cost. Financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

d) Property, plant and equipment

Property, plant and equipment (other than freehold land, leasehold land and buildings and right-of-use assets) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are measured using revaluation model, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. The gross carrying amount is restated and the difference compared to the revalued amount of asset is absorbed by the accumulated depreciation.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Rate (%)
Buildings	5
Concrete jetty	5
Furniture, fittings and equipment	10 – 33.33
Motor vehicles	25
Plant and machineries	4 – 20
Renovation	5
Leasehold land	1.67 – 2.50

e) Leases

i) Definition of a lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

ii) Lessee accounting

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of lease.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

e) Leases (cont'd)

ii) Lessee accounting (cont'd)

Right-of-use assets

The right-of-use assets (other than leasehold land that measures using revaluation model) are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

iii) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

f) Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

The investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their useful lives.

Rate (%)

Buildings	5
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g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average cost method except consumables which is on the first-in, first-out method, and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

h) Revenue and other income

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

h) Revenue and other income *(cont'd)*

i) Sale of goods

Revenue from the sale of goods is recognised upon delivery of goods where the control of the goods has been passed to the customers, net of sales and services taxed and discounts.

ii) Construction contracts

Revenue from construction contracts is recognised over time. The Group uses an input method in measuring progress of the construction contracts. The Group recognises revenue on the basis of the contract costs incurred for work performed to-date relative to the total estimated costs.

When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

iii) Project management services

Revenue from providing management and/or agency services is recognised over time in the period in which the services are rendered.

iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

v) Rendering of services

Revenue from providing management services is recognised over time in the period in which the services are rendered.

vi) Sale of properties

Revenue from sale of completed properties recognised at a point in time, when the control of the properties has been transferred to the purchasers, being when the properties have been delivered to the purchasers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

vii) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

a) Revaluation of property, plant and equipment

The Group and the Company carry its land and buildings at revaluation model, with changes in fair value being recognised in other comprehensive income. The Group and the Company engaged an independent valuation specialist to assess fair value as at 30 September 2023.

The land and buildings were valued by reference to market-based evidence, using comparable price adjusted for specific market factors such as nature, location and condition of the properties.

The carrying amounts of the Group's and Company's land and buildings are disclosed in Note 5 to the financial statements.

b) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's and Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets and contract assets are disclosed in Note 24 to the financial statements.

c) Construction revenue

The Group recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgment, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amount of the Group's contract assets and contract liabilities are disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land		Buildings		Concrete jetty		Furniture, fittings and equipment		Motor vehicles		Plant and machineries		Renovation		Capital work-in-progress		Right-of-use assets		Total			
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		
Accumulated impairment loss																						
At 1 July 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Addition	-	-	-	-	-	-	-	-	-	-	267,716	-	-	-	-	-	-	-	-	-	267,716	
At 30 June 2023/ 30 June 2024	-	-	-	-	-	-	-	-	-	-	267,716	-	-	-	-	-	-	-	-	-	267,716	
Carrying amounts																						
At 30 June 2024	7,500,000	31,160,090	14,258	835,308	2,867,264	11,635,301	180,704	2,508,015	78,479,295	135,180,235												
At 30 June 2023	6,700,000	8,698,786	14,258	917,544	18,335	12,456,410	191,257	1,456,593	16,429,094	46,882,277												
Representing																						
- cost	-	-	14,258	835,308	2,867,264	11,635,301	180,704	2,508,015	396,446	18,437,296												
- valuation	7,500,000	31,160,090	-	-	-	-	-	-	78,082,849	116,742,939												

* Derecognition of the right-of-use assets during the financial year was a result of early termination of lease arrangement.

The buildings of the Group with the carrying amount of RM29,122,861 (2023 – RM7,141,114) have been pledged to financial institutions as securities for credit facilities granted to the Group as disclosed in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital work-in- progress RM	Right- of-use assets RM	Total RM
Costs/Valuation						
At 1 July 2022	795,940	10,440	317,426	402,208	8,530,339	10,056,353
Additions	39,059	-	31,385	-	369,074	439,518
Reclassification	165,665	186,727	236,543	(402,208)	(186,727)	-
Derecognition due to lease modification *	-	-	-	-	(1,852,761)	(1,852,761)
Written off	(32,468)	-	(391,275)	-	-	(423,743)
At 30 June 2023	968,196	197,167	194,079	-	6,859,925	8,219,367
Additions	103,165	-	-	-	21,621,356	21,724,521
Disposal	(5,848)	-	-	-	-	(5,848)
Revaluation gain	-	-	-	-	16,092,428	16,092,428
At 30 June 2024	1,065,513	197,167	194,079	-	44,573,709	46,030,468
Accumulated depreciation						
At 1 July 2022	219,391	9,891	19,084	-	2,156,393	2,404,759
Charge for the financial year	165,004	544	26,197	-	839,772	1,031,517
Reclassification	-	186,723	-	-	(186,723)	-
Written off	(8,009)	-	(27,436)	-	-	(35,445)
Derecognition due to lease modification *	-	-	-	-	(926,380)	(926,380)
At 30 June 2023	376,386	197,158	17,845	-	1,883,062	2,474,451
Charge for the financial year	167,656	-	9,703	-	675,105	852,464
Disposal	(5,574)	-	-	-	-	(5,574)
At 30 June 2024	538,468	197,158	27,548	-	2,558,167	3,321,341
Carrying amounts						
At 30 June 2024	527,045	9	166,531	-	42,015,542	42,709,127
At 30 June 2023	591,810	9	176,234	-	4,976,863	5,744,916
Representing						
- cost	527,045	9	166,531	-	215,293	908,878
- valuation	-	-	-	-	41,800,249	41,800,249

* Derecognition of the right-of-use assets during the financial year was a result of early termination of lease arrangement.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of the right-of-use assets are as follows : -

Group	Leasehold land RM	Office premises RM	Use of land RM	Motor vehicles RM	Plant and machineries RM	Total RM
Costs/Valuation						
At 1 July 2022	21,567,867	1,852,761	-	3,241,362	889,299	27,551,289
Addition	-	-	480,028	-	-	480,028
Derecognition due to lease modification *	-	(1,852,761)	-	-	-	(1,852,761)
Reclassification **	-	-	-	(186,727)	(889,299)	(1,076,026)
At 30 June 2023	21,567,867	-	480,028	3,054,635	-	25,102,530
Addition	21,621,356	72,847	-	687,522	-	22,381,725
Disposal	-	-	-	(181,735)	-	(181,735)
Reclassification	-	-	-	(3,560,422)	-	(3,560,422)
Revaluation gain	43,856,378	-	-	-	-	43,856,378
At 30 June 2024	87,045,601	72,847	480,028	-	-	87,598,476
Accumulated depreciation						
At 1 July 2022	6,769,829	231,595	-	851,389	388,549	8,241,362
Charge for the financial year	547,303	694,785	24,001	667,637	77,653	2,011,379
Derecognition due to lease modification *	-	(926,380)	-	-	-	(926,380)
Reclassification **	-	-	-	(186,723)	(466,202)	(652,925)
At 30 June 2023	7,317,132	-	24,001	1,332,303	-	8,673,436
Charge for the financial year	1,645,620	36,423	96,005	749,738	-	2,527,786
Disposal	-	-	-	(147,655)	-	(147,655)
Reclassification	-	-	-	(1,934,386)	-	(1,934,386)
At 30 June 2024	8,962,752	36,423	120,006	-	-	9,119,181
Carrying amounts						
At 30 June 2024	78,082,849	36,424	360,022	-	-	78,479,295
At 30 June 2023	14,250,735	-	456,027	1,722,332	-	16,429,094

* Derecognition of the right-of-use assets during the financial year was a result of early termination of lease arrangement.

** Reclassification of right-of-use assets to property, plant and equipment was a result of full settlement of lease payment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of the right-of-use assets are as follows : - (cont'd)

Company	Leasehold land RM	Office premises RM	Motor vehicles RM	Total RM
Costs/Valuation				
At 1 July 2022	6,490,851	1,852,761	186,727	8,530,339
Additions	-	369,074	-	369,074
Derecognition due to lease modification *	-	(1,852,761)	-	(1,852,761)
Reclassification **	-	-	(186,727)	(186,727)
At 30 June 2023	6,490,851	369,074	-	6,859,925
Addition	21,621,356	-	-	21,621,356
Revaluation gain	16,092,428	-	-	16,092,428
At 30 June 2024	44,204,635	369,074	-	44,573,709
Accumulated depreciation				
At 1 July 2022	1,743,910	231,595	180,888	2,156,393
Additions	108,396	725,541	5,835	839,772
Derecognition due to lease modification *	-	(926,380)	-	(926,380)
Reclassification **	-	-	(186,723)	(186,723)
At 30 June 2023	1,852,306	30,756	-	1,883,062
Additions	552,080	123,025	-	675,105
At 30 June 2024	2,404,386	153,781	-	2,558,167
Carrying amounts				
At 30 June 2024	41,800,249	215,293	-	42,015,542
At 30 June 2023	4,638,545	338,318	-	4,976,863

* Derecognition of the right-of-use assets during the financial year was a result of early termination of lease arrangement.

** Reclassification of right-of-use assets to property, plant and equipment was a result of full settlement of lease payment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

The details of the right-of-use assets are as follows : - *(cont'd)*

Leasehold land of the Group and of the Company have a lease period of 60 years expiring between years of 2053 and 2084. The Group entered into the operating lease agreements for the use of land for 5 years (2023 – 5 years), whereas the Company leased office premises used in their operations for 3 years (2023 – 3 years), with an option to renew the leases upon expiry.

The Group and the Company have leased motor vehicles and plant and machineries under hire purchase arrangements. The leases are secured by the leased assets. The Group and the Company have options to purchase the asset at the expiry of the lease period for an insignificant amount.

Included in the right-of-use assets of the Group and of the Company at the end of the reporting period were leasehold land with aggregate carrying amount of RM51,708,446 (2023 – RM13,155,945) and RM15,425,846 (2023 – RM3,543,755) respectively, which have been pledged to licensed banks as securities for banking facilities granted to the Group and to the Company, as disclosed in Note 18 to the financial statements.

Fair value information

	Level 3 RM
Group	
30.6.2024	
Freehold land	7,500,000
Leasehold land	56,581,852
Buildings	31,160,090
	95,241,942
Company	
30.6.2024	
Leasehold land	20,299,252

There are no Level 1 property, plant and equipment or transfers between Level 1 and Level 2 during the financial year ended 30 June 2023 and 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
<u>Group</u>			
Land 1	Cost approach	Price per square feet RM37 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 2	Cost approach	Price per square feet RM31 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 3	Comparison approach	Price per square feet RM37 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 4	Cost approach	Price per square feet RM60 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 5	Comparison approach	Price per square feet RM70 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 1	Cost approach	Price per square feet RM101 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 2	Cost approach	Price per square feet RM60 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 3	Cost approach	Price per square feet RM134 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 4	Cost approach	Price per square feet RM85 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 5	Comparison approach	Price per square feet RM70 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
<u>Company</u>			
Land 1	Cost approach	Price per square feet RM37 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 2	Cost approach	Price per square feet RM31 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Level 3 fair value (cont'd)

Had the revalued land and buildings and right-of-use assets been carried at historical cost less accumulated depreciation, the net carrying amount of the land and buildings and right-of-use assets that would have been included in the financial statements of the Group and of the Company are as follows:

	2024
	RM
Group	
30.6.2024	
Freehold land	4,521,894
Leasehold land	13,620,249
Buildings	7,335,114
	25,477,257
Company	
30.6.2024	
Leasehold land	4,530,148

6. INVESTMENT PROPERTIES

Group	Buildings
	RM
Costs	
At 1 July 2022	
Transfer from property, plant and equipment (Note 5)	2,900,000
At 30 June 2023/30 June 2024	2,900,000
Accumulated depreciation	
At 1 July 2022	
Charge for the financial year	12,083
Transfer from property, plant and equipment (Note 5)	507,500
At 1 July 2023	519,583
Charge for the financial year	145,000
At 30 June 2024	664,583
Carrying amount	
At 30 June 2024	2,235,417
At 30 June 2023	2,380,417

In the previous financial year, certain buildings of the Group with carrying amount at RM2,392,500 have been transferred from property, plant and equipment to investment properties as disclosed in Note 5 to the financial statements.

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6. INVESTMENT PROPERTIES (cont'd)

Rental income in respect of the investment properties of the Group for the financial year ended 30 June 2024 are recognised in profit or loss as follows : -

	Group RM
Rental income from third parties	89,600

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2024	2023
	RM	RM
Carrying amount		
At the beginning of the financial year	41,556,047	41,456,047
Addition	-	100,000
Impairment	(10,193,184)	-
Redeemable convertible preference shares	77,000,000	-
At the end of the financial year	108,362,863	41,556,047
Unquoted shares, at cost	44,056,049	44,056,049
Redeemable convertible preference shares, at cost	77,000,000	-
Less: Accumulated impairment losses	(12,693,186)	(2,500,002)
	108,362,863	41,556,047

The reconciliation of the allowance for impairment losses is as follows:-

	Company	
	2024	2023
	RM	RM
At the beginning of the financial year	2,500,002	2,500,002
Addition	10,193,184	-
At the end of the financial year	12,693,186	2,500,002

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7. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows : -

Name of subsidiary companies	Country of incorporation/ principal place of business	Principal activities	Effective ownership interest	
			2024 %	2023 %
<i>Subsidiary companies of the Company</i>				
SCIB Holdings Sdn. Bhd.	Malaysia	Investment holdings	100	100
SCIB Industrialised Building System Sdn. Bhd.	Malaysia	Supply and installation of industrialised building system components	100	100
SCIB Building Solutions Sdn. Bhd.	Malaysia	Construction. Not in operation since the date of acquisition by the holding company	100	100
SCIB Trading Sdn. Bhd.	Malaysia	Investment holding in dealing with capital market and derivatives instruments locally and internationally as well as in general merchants	100	100
<i>Subsidiary companies of SCIB Holdings Sdn. Bhd.</i>				
SCIB Concrete Manufacturing Sdn. Bhd.	Malaysia	Investment holding, trading of construction materials, manufacturing and sale of precast concrete pipes, prestressed spun concrete piles and other related concrete products	100	100
SCIB Properties Sdn. Bhd.	Malaysia	Property investment and development, engineering, procurement, construction and commissioning	100	100
SCIB Infracore Sdn. Bhd.	Malaysia	Infrastructure business and other related business	100	100
<i>Subsidiary company of SCIB Concrete Manufacturing Sdn. Bhd.</i>				
SCIB International (Labuan) Ltd [#]	Labuan, Malaysia	Engineering, procurement, construction and commissioning project activities and investment holding	100	100

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7. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows : - (cont'd)

Name of subsidiary companies	Country of incorporation/ principal place of business	Principal activities	Effective ownership interest	
			2024 %	2023 %
<i>Subsidiary companies of SCIB Industrialised Building System Sdn. Bhd.</i>				
SCIB LW System Sdn. Bhd.	Malaysia	Supplying and installations of prefabricated Lightweight System products including but not limited to carrying out engineering, procurement, construction and commissioning ("EPCC")	100	100
SCIB Sasoakai JV Sdn. Bhd. (formerly known as SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd.)	Malaysia	Road construction, maintenance and other related activities	70	70

Audited by a firm other than Kreston John & Gan

(a) Additional investment in subsidiary companies

On 21 March 2024, the Company subscribed for 26,500,000 and 50,500,000 redeemable convertible preference shares ("RCPS") in SCIB Industrialised Building System Sdn. Bhd. and SCIB Properties Sdn. Bhd., respectively, at an issue price of RM1 per RCPS via the conversion of the amount due from subsidiary companies.

The RCPS are redeemable at the option of the issuer of the RCPS.

The salient terms of RCPS in the subsidiary companies are as follows:

- (i) The subscriber of the RCPS is the holding company, Sarawak Consolidated Industries Berhad.
- (ii) Dividends on each RCPS shall be paid at the absolute discretion of the subsidiary companies.
- (iii) In the event of any liquidation, dissolution, winding up or other repayment of capital of the subsidiary companies, the assets available for distribution among the members shall be applied in the following:
 - a. Firstly to the RCPS shareholders, in payment of a sum equivalent to the aggregate of the RCPS issue price.
 - b. Then, to the holder of the other shares.
- (iv) The RCPS shareholders shall have the right to receive notice, reports and audited financial statements and to attend general meetings of the subsidiary companies.
- (v) The RCPS are convertible into new ordinary shares at the absolute discretion of the holder.
- (vi) The RCPS shall be redeemed at the absolute discretion of the of the subsidiary companies.

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7. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(b) Non-controlling interest in subsidiary companies

The Group's subsidiary company that has non-controlling interest ("NCI") is as follows : -

	SSJV
2024	
NCI percentage of ownership and voting interest (%)	30
Carrying amount of NCI (RM)	1,208,685
Profit allocated to NCI (RM)	343,730
2023	
NCI percentage of ownership and voting interest (%)	30
Carrying amount of NCI (RM)	864,955
Profit allocated to NCI (RM)	688,655

Summarised financial information for the subsidiary company that has non-controlling interests before inter-group elimination : -

	2024	2023
	RM	RM
SCIB Sasoakai JV Sdn. Bhd. (formerly known as SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd.)		
Non-current assets	1,156,785	1,527,765
Current assets	12,483,353	10,171,763
Non-current liabilities	(2,794,103)	(4,391,337)
Current liabilities	(6,817,085)	(4,425,007)
Net assets	4,028,950	2,883,184
Profit for the financial year, representing total comprehensive income for the financial year	1,145,767	2,295,516
Profit attributable to owners of the Company	802,037	1,606,861
Non-controlling interest	343,730	688,655
	1,145,767	2,295,516
Net cash flows generated from operating activities	1,921,180	652,625
Net cash flows used in investing activity	(100,000)	-
Net cash flows used in financing activities	(320,148)	(576,296)
Net increase in cash and cash equivalents	1,501,032	76,329
Dividend paid to NCI	-	-

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8. INVESTMENT IN AN ASSOCIATE COMPANY

	Group	
	2024 RM	2023 RM
At the beginning of the financial year	300,000	300,000
Share of post-acquisition loss	-	-
At the end of the financial year	300,000	300,000
Unquoted shares, at cost	300,000	300,000
Less: Accumulated impairment losses	(300,000)	(300,000)
	-	-

The reconciliation of the allowance for impairment losses on investment in an associate company is as follows : -

	Group	
	2024 RM	2023 RM
At the beginning/end of the financial year	300,000	300,000

The details of the associate company is as follows : -

Name of associate company	Country of incorporation/ Principal place of business	Principal activities	Effective ownership interest	
			2024 %	2023 %
<i>Associate company of SCIB Properties Sdn. Bhd.</i>				
Edaran Kencana Sdn. Bhd. #	Malaysia	General contractor and builder, engineering consultancy and other related services	30	30

Audited by a firm other than Kreston John & Gan

Edaran Kencana Sdn. Bhd. has a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the associate company for the financial year ended 31 December 2023 (2023 – 31 December 2022) have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2024 and 30 June 2024 (2023– 1 January 2023 to 30 June 2023).

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30 June 2024
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8. INVESTMENT IN AN ASSOCIATE COMPANY (cont'd)

The summarised financial information of the associate company is as follows : -

	Group	
	2024	2023
	RM	RM
Non-current assets	9,236	13,751
Current assets	1,238,584	1,374,556
Current liabilities	(15,156,123)	(15,234,665)
Net liabilities	(13,908,303)	(13,846,358)
12-month year ended 30 June		
Revenue	76,653	27,287
Loss for the financial year representing total comprehensive loss for the financial year	(61,944)	(2,204,574)
Group's share of loss for the financial year	-	-

The Group has not recognised its share of losses amounting to RM18,583 (2023 – RM661,372) because the Group's cumulative share of losses has exceeded its interest in that associate company and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised amounted to RM4,534,190 (2023 – RM4,515,607).

The auditors' report on the financial statements of the associate company includes a "Material Uncertainty Related to Going Concern" regarding the ability of the associate company to continue as a going concern in view of its capital deficiency position as at end of current reporting year. Due to its capital deficiency position, the cost of investment of the associate company has been fully impaired during previous financial year.

9. INVENTORIES

	Group	
	2024	2023
	RM	RM
Properties held for sale	698,061	698,061
Raw materials	6,559,261	7,527,585
Finished goods	13,362,096	12,425,595
Stores and spares	2,453,298	2,111,230
	23,072,716	22,762,471
Less : Allowance for inventories obsolescence	(42,473)	(26,927)
	23,030,243	22,735,544

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30 June 2024
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9. INVENTORIES (cont'd)

The movement of allowance for inventories obsolescence during the financial year are as follows : -

	Group	
	2024	2023
	RM	RM
At the beginning of the financial year	26,927	165,977
Additions	26,165	11,592
Inventories written off	(10,619)	(125,382)
Reversal of inventories written down	-	(25,260)
At the end of the financial year	42,473	26,927

	Group	
	2024	2023
	RM	RM
Recognised in profit or loss : -		
Inventories recognised as cost of sales	86,125,061	74,104,109
Inventories written back	(3,081)	(21,803)
Inventories written down	26,165	11,592
Reversal of inventories written down	-	(25,260)

10. TRADE RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Third parties : -				
- Project management	5,757,790	5,877,900	-	-
- Project owners	25,650,236	34,657,324	-	-
- Others	30,841,048	26,668,301	-	-
	62,249,074	67,203,525	-	-
Less : Accumulated impairment losses	(21,970,049)	(22,446,161)	-	-
	40,279,025	44,757,364	-	-

NOTES TO THE FINANCIAL STATEMENTS

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10. TRADE RECEIVABLES (cont'd)

The movement of accumulated impairment losses of trade receivables of the Group and of the Company during the financial year are as follows : -

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	22,446,161	81,553,171	-	12,588,441
Additions : -				
- Project owners	39,124	-	-	-
- Others	43,750	146,247	-	-
	82,874	146,247	-	-
Effect of foreign exchange differences	67,722	1,678,528	-	-
Reversals	(626,708)	(876,277)	-	-
Written off	-	(60,055,508)	-	(12,588,441)
At end of the financial year	21,970,049	22,446,161	-	-

- (a) The Group's and the Company's normal trade credit term range between 7 to 90 days (2023 – 7 to 90 days). Late interest is charged at 1.50% (2023 – 1.50%) per month for sale of goods and are assessed on a case-by-case basis.
- (b) Included in trade receivables of the Group are retention sums amounted to RM8,714,315 (2023 – RM7,105,988).

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables : -				
- Third parties	27,004,892	25,904,210	15,122,734	15,013,329
- Related parties	-	70,718	-	70,718
Banker guarantee	-	199,000	-	199,000
Non-trade deposits	8,166,290	243,447	250,041	51,041
Trade deposits	16,381,847	16,329,647	-	-
Prepayments	4,662,928	8,322,668	66,182	55,957
	56,215,957	51,069,690	15,438,957	15,390,045
Less : Accumulated impairment losses	(22,867,959)	(25,829,296)	(14,130,000)	(15,013,216)
	33,347,998	25,240,394	1,308,957	376,829

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(CONT'D)

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

The movement of accumulated impairment losses of other receivables of the Group and of the Company during the financial year are as follows : -

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	25,829,296	12,814,334	15,013,216	563,216
Additions	1,753,368	19,778,428	-	14,450,000
Effect of foreign exchange differences	23,518	196,236	-	-
Reversals	(523,055)	(9,702)	(320,000)	-
Written off	(4,215,168)	(6,950,000)	(563,216)	-
At end of the financial year	22,867,959	25,829,296	14,130,000	15,013,216

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024 RM	2023 RM
Contract assets		
Contract assets relating to construction services	15,751,771	6,193,541
Contract liabilities		
Contract liabilities relating to : -		
- Construction services	-	(60)
- Manufacturing activities	(532,162)	(816,389)
	(532,162)	(816,449)

- (a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. The amount will be invoiced within 30 days (2023 – 30 days).
- (b) The contract liabilities relate to advance considerations received from customers for EPCC contracts and manufacturing activities of which the revenue will be recognised over the remaining contract term of the specific contract it relates to, ranging from 1 to 3 months (2023 – 1 to 3 months).

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12. CONTRACT ASSETS/(LIABILITIES) (cont'd)

(c) The movement of contract assets and contract liabilities balances during the financial year are as follows : -

	2024 RM	2023 RM
At beginning of the financial year	5,377,092	5,140,764
Revenue recognised in profit or loss during the financial year : -		
- Construction contracts	52,354,233	41,292,388
- Sale of goods	561,329	370,589
Performance obligation performed	15,312,377	-
Transfer to trade receivables	(1,086,789)	-
Changes due to measurement of progress or estimation of transaction price	(1,479,503)	-
Contract modification	60	-
Reclassification	-	9,702
Billing to customers during the financial year	(55,400,320)	(39,537,978)
	15,638,479	7,275,465
Less : Accumulated impairment losses	(418,870)	(1,898,373)
At end of the financial year	15,219,609	5,377,092
Represented by : -		
Contract assets	15,751,771	6,193,541
Contract liabilities	(532,162)	(816,449)
	15,219,609	5,377,092

The movement of accumulated impairment losses of contract assets of the Group during the financial year are as follows : -

	2024 RM	2023 RM
At the beginning of the financial year	1,898,373	1,862,205
Additions	-	36,168
Reversals	(1,479,503)	-
At the end of the financial year	418,870	1,898,373

(d) As at the end of the financial year, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts of the Group is RM234,276,820 (2023 – RM274,632,884). These remaining performance obligations are expected to be recognised as below : -

	2024 RM	2023 RM
Within 1 year	127,571,534	206,464,397
Between 1 to 5 years	106,705,286	68,168,487
	234,276,820	274,632,884

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13. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	2024	2023
	RM	RM
Amount due from subsidiary companies:-		
Non-trade	32,304,483	89,479,053
Less : Accumulated impairment losses	(17,805,257)	(16,023,264)
	14,499,226	73,455,789

The movement of accumulated impairment losses of amount due from subsidiary companies during the financial year are as follows : -

	Company	
	2024	2023
	RM	RM
At the beginning of the financial year	16,023,264	15,609,790
Addition	1,781,993	413,474
At the end of the financial year	17,805,257	16,023,264

	Company	
	2024	2023
	RM	RM
Amount due to a subsidiary company : -		
Non-trade	(15,062,866)	(97,000)

Both the amount due from/(to) subsidiary companies are unsecured, bear interest rate at 3.75% (2023 – 3.50%) per annum and are repayable on demand.

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and of the Company amounted to RM10,808,088 (2023 – RM10,420,927) and RM5,358,328 (2023 – RM5,214,458) respectively, have been pledged to licensed banks as security for credit facilities granted to a subsidiary company as disclosed in Note 18 and Note 33 to the financial statements.

The fixed deposits with licensed banks of the Group and of the Company have maturity periods of 3 to 12 months (2023 – 3 to 12 months) and 3 months (2023 – 3 months) respectively. The effective interest rates of deposits with licensed banks of the Group and of the Company at the end of the financial year are in the range from 2.55% to 2.80% (2023 – 2.55% to 2.75%) per annum and 2.55% (2023 – 2.75%) per annum respectively.

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15. SHARE CAPITAL

	Group and Company			
	2024	2023	2024	2023
	Unit	Unit	RM	RM
At the beginning of the financial year	640,241,285	582,037,532	166,258,892	153,623,689
Issuance of ordinary shares pursuant to private placement	-	58,203,753	-	12,759,057
Issuance of ordinary shares pursuant to debt settlements	18,496,345	-	11,301,267	-
Less:-				
- share issue expenses	-	-	-	(123,854)
	658,737,630	640,241,285	177,560,159	166,258,892

During the financial year, the Company increased its issued and paid-up share capital from RM166,258,892 to RM177,560,159 by way of Capitalisation of an aggregate amount of RM11,301,267 debt owing to Goh Hardware & Construction Sdn. Bhd. by one of its subsidiary company, SCIB Properties Sdn. Bhd. via issuance of 18,496,345 new ordinary shares at an issue price of RM0.611 per each capitalised share.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share of meetings of the Company. The ordinary shares have no par value.

16. RESERVES

(a) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of a foreign subsidiary company whose functional currency is different from that of the Group's presentation currency.

(b) Revaluation reserve

The revaluation reserves represents the increase in the fair value of a freehold land, leasehold land and buildings of the Group and of the Company (net of deferred tax, where applicable) presented under property, plant and equipment.

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17. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Other payables	11,835,276	141,976	11,696,813	8,737
Current				
Other payables – third parties	4,754,371	900,062	4,365,971	483,772
Accruals	5,682,932	2,560,799	389,035	934,156
Advance received	-	5,250	-	-
Deposit received	3,588,412	1,641,180	-	-
Deposit received from a subsidiary company	-	-	43,200	43,200
	14,025,715	5,107,291	4,798,206	1,461,128
	25,860,991	5,249,267	16,495,019	1,469,865

18. BORROWINGS

	Group	
	2024 RM	2023 RM
Non-Current Liabilities		
<u>Secured</u>		
Hire purchase	1,339,824	1,355,179
Term loans	21,273,460	20,454,827
	22,613,284	21,810,006
Current Liabilities		
<u>Secured</u>		
Bankers' acceptances	13,118,000	17,661,021
Bank overdrafts	3,000,000	5,672,171
Hire purchase	534,311	466,438
Revolving credit	16,739,705	-
Term loans	1,377,900	2,835,198
	34,769,916	26,634,828
Total borrowings		
<u>Secured</u>		
Bankers' acceptances (Note 18(a))	13,118,000	17,661,021
Bank overdrafts (Note 18(b))	3,000,000	5,672,171
Hire purchase	1,874,135	1,821,617
Term loans (Note 18(c))	22,651,360	23,290,025
Revolving credit (Note 18(d))	16,739,705	-
	57,383,200	48,444,834

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30 June 2024
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18. BORROWINGS (cont'd)

	2024	2023
	%	%
Interest rate : -		
- Bankers' acceptances	5.00	3.55 – 5.09
- Bank overdrafts	8.00	7.70 – 7.95
- Hire purchase	2.12 – 6.65	2.12 – 6.51
- Term loans	3.25 – 7.00	4.50 – 5.70
- Revolving credit	6.20	N/a

a) Bankers' acceptances

Bankers' acceptance I were drawn down under conventional loan facility and is secured by a first legal charge over a leasehold land of the Company as disclosed in Note 5 to the financial statements, together with the buildings thereon of the Group as disclosed in Note 5 to the financial statements; and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above the licensed bank's cost of fund.

Bankers' acceptance II were drawn down under conventional loan facility and is secured by a second legal charge over a leasehold land of the Company and of a subsidiary company as disclosed in Note 5 to the financial statements, together with the buildings thereon of the Group as disclosed in Note 5 to the financial statements; and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above the licensed bank's cost of fund.

Bankers' acceptance III were drawn down under Islamic loan facility and is secured by a first party legal charge over a leasehold land of a subsidiary company as disclosed in Note 5 to the financial statements, together with the buildings thereon of the Group as disclosed in Note 4 to the financial statements, and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above the licensed bank's prevailing Islamic Money Market Rate.

b) Bank overdrafts

Bank overdraft I is secured by a first legal charge over a leasehold land of the Group and of the Company as disclosed in Note 5 to the financial statements, together with the building thereon as disclosed in Note 5 to the financial statements and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above the bank's Base Lending Rate daily rest.

Bank overdraft II is secured by fixed deposit pledged by a subsidiary company as disclosed in Note 14 to the financial statements. Interest is charged at 1.00% (2023 – 1.00%) per annum above the licensed bank's prevailing Base Financing Rate.

Bank overdraft III is secured by first party first legal charge over a leasehold land of a subsidiary company together with the building thereon as disclosed in Note 5 to the financial statements and corporate guarantee by the Company. Interest is charged at 1.00% (2023 – Nil) per annum above the bank's prevailing Base Financing Rate.

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30 June 2024
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18. BORROWINGS (cont'd)

c) Term loans

	Group	
	2024	2023
	RM	RM
Secured		
Term loan 1	5,286,603	5,671,801
Term loan 2	5,560,344	5,942,084
Term loan 3	-	11,676,140
Term loan 4	11,804,413	-
	22,651,360	23,290,025
Non-Current Liabilities		
Later than one year and not later than two years		
- Term loan 1	494,171	468,082
- Term loan 2	483,044	461,660
- Term loan 3	-	2,036,263
- Term loan 4	517,759	-
	1,494,974	2,966,005
Later than two years and not later than five years		
- Term loan 1	1,621,305	1,534,472
- Term loan 2	1,546,862	1,476,645
- Term loan 3	-	6,714,331
- Term loan 4	1,788,868	-
	4,957,035	9,725,448
Later than five years		
- Term loan 1	2,723,161	3,222,139
- Term loan 2	3,083,355	3,557,354
- Term loan 3	-	983,881
- Term loan 4	9,014,935	-
	14,821,451	7,763,374
Current Liabilities		
Not later than one year		
- Term loan 1	447,966	447,108
- Term loan 2	447,083	446,425
- Term loan 3	-	1,941,665
- Term loan 4	482,851	-
	1,377,900	2,835,198
Total	22,651,360	23,290,025

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18. BORROWINGS (cont'd)

c) Term loans (cont'd)

The details of term loans are as follows : -

Term loan 1 is secured by a first legal charge over a leasehold land of the Company as disclosed in Note 5 to the financial statements, together with the building thereon as disclosed in Note 5 to the financial statements and corporate guarantee by the Company. Interest is charged at 1.00% (2023 – 1.00%) per annum below the licensed bank's Base Lending Rate.

Term loan 2 is secured by a first party first legal charge over a leasehold land of a subsidiary company together with the building thereon and a first or third party letter of set-off over fixed deposit pledged as disclosed in Notes 5 and 14 to the financial statements respectively, and corporate guarantee by the Company. Interest is charged at 2.20% (2023 – 2.20%) per annum below the licensed bank's Base Lending Rate.

Term loan 3 was drawn down under Tawarruq Term Financing-I and is secured by a first party legal charge over a leasehold land of a subsidiary company as disclosed in Note 5 to the financial statements, together with the building thereon of the Group as disclosed in Note 5 to the financial statements, and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above effective profit rate of Islamic Cost of Fund (iCOF) with a minimum rate of 4% (2023 – 4.00%) per annum or such other minimum rate as may be prescribed by the bank not exceeding ceiling profit rate of 12% (2023 – 12.00%) per annum.

Term loan 4 arose from the settlement of term loan 3 during the financial year. Term loan 4 was drawn down under Murabahah Term Financing-I and is secured by a first party legal charge over a leasehold land of the Group as disclosed in Note 5 to the financial statements, together with the building thereon of the Company as disclosed in Note 5 to the financial statements, and corporate guarantee by the Company. Interest is charged at 0% per annum above effective profit rate of Base Financing Rate (BFR) with a minimum rate of 7.00% per annum or such other minimum rate as may be prescribed by the bank not exceeding ceiling profit rate of 11.00% per annum.

d) Revolving credit

Revolving credit arose from the settlement of Bankers' acceptance III during the financial year. Revolving credit is secured by first party first legal charge over a leasehold land of a subsidiary company, together with the building thereon as disclosed in Note 5 to the financial statements; and corporate guarantee by the Company. Interest is charged at 1.50% (2023 – Nil) per annum above the bank's Cost of Fund daily rest.

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19. LEASE LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At the beginning of the financial year	458,711	1,655,830	340,343	1,655,830
Additions	72,848	480,028	-	369,074
Derecognition	-	(943,721)	-	(943,721)
Interest expense recognised in profit or loss	23,637	18,252	13,500	39,815
Repayment of principal and interest	(143,749)	(751,678)	(132,000)	(780,655)
At the end of the financial year	411,447	458,711	221,843	340,343
Minimum lease payments : -				
Not later than one year	147,000	108,000	132,000	132,000
Later than one year but not later than two years	147,000	108,000	99,000	132,000
Later than two years but not later than five years	153,250	297,000	-	99,000
Later than five years	-	-	-	-
	447,250	513,000	231,000	363,000
Less : Future finance charges	(35,803)	(54,289)	(9,157)	(22,657)
Present value of lease liabilities	411,447	458,711	221,843	340,343
Represented by:-				
Non-current	281,695	370,790	97,405	221,843
Current	129,752	87,921	124,438	118,500
	411,447	458,711	221,843	340,343
	%	%	%	%
Interest rate of lease liabilities	4.90 - 6.65	4.90	4.90	4.90

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20. DEFERRED TAX LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At the beginning of the financial year	(593,206)	(597,254)	-	-
Recognised in other comprehensive income	(16,492,239)	-	(3,862,183)	-
Recognised in profit or loss	463,076	4,048	77,598	-
At the end of the financial year	(16,622,369)	(593,206)	(3,784,585)	-
Presented after appropriate offsetting as follows:-				
Deferred tax assets	12,209,708	2,111,827	442,925	60,882
Deferred tax liabilities	(28,832,077)	(2,705,033)	(4,227,510)	(60,882)
	(16,622,369)	(593,206)	(3,784,585)	-

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows : -

Group	Leasehold land and buildings RM	Freehold land and building RM	Capital allowances in excess of depreciation RM	Total RM
Deferred tax liabilities				
At 1 July 2022	-	(597,254)	(2,111,827)	(2,709,081)
Recognised in profit or loss	-	4,048	-	4,048
At 30 June 2023	-	(593,206)	(2,111,827)	(2,705,033)
Recognised in other comprehensive income	(16,492,239)	-	-	(16,492,239)
Recognised in profit or loss	463,076	-	(10,097,881)	(9,634,805)
At 30 June 2024	(16,029,163)	(593,206)	(12,209,708)	(28,832,077)

Group	Unutilised Tax Losses RM	Unutilised Capital Allowances RM	Other Deductible Temporary Differences RM	Total RM
Deferred tax assets				
At 1 July 2022/1 July 2023	-	563,672	1,548,155	2,111,827
Recognised in profit or loss	3,252,964	4,743,136	2,101,781	10,097,881
At 30 June 2024	3,252,964	5,306,808	3,649,936	12,209,708

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
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20. DEFERRED TAX LIABILITIES (cont'd)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows : - (cont'd)

Company	Leasehold land and buildings RM	Capital allowances in excess of depreciation RM	Total RM
Deferred tax liabilities			
At 1 July 2022/1 July 2023	-	(60,882)	(60,882)
Recognised in other comprehensive income	(3,862,183)	-	(3,862,183)
Recognised in profit or loss	77,598	(382,043)	(304,445)
30 June 2024	(3,784,585)	(442,925)	(4,227,510)

	Unutilised Tax Losses RM	Unutilised Capital Allowances RM	Other deductible temporary differences RM	Total RM
Deferred tax assets				
At 1 July 2022/1 July 2023	-	-	60,882	60,882
Recognised in profit or loss	211,019	230,820	(59,796)	382,043
30 June 2024	211,019	230,820	1,086	442,925

21. TRADE PAYABLES

- (a) The normal trade credit term granted to the Group ranged from 30 to 90 days (2023 – 30 to 90 days).
- (b) Included in the trade payables of the Group are retention sum amounted to RM3,477,526 (2023 – RM6,254,466).

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22. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Revenue from Contracts with Customers</u>				
Sale of goods	115,427,109	90,583,008	-	-
Construction contracts	50,874,730	40,937,089	-	-
Sale of properties	-	365,000	-	-
Project management fee	322,334	159,454	-	-
	166,624,173	132,044,551	-	-
<u>Revenue from Other Sources</u>				
Management fees from subsidiary companies	-	-	5,004,881	5,778,222
Rental income	-	-	264,000	264,000
	-	-	5,268,881	6,042,222
	166,624,173	132,044,551	5,268,881	6,042,222
<u>Timing of revenue recognition</u>				
At a point in time	115,427,109	90,948,008	-	-
Over time	51,197,064	41,096,543	-	-
	166,624,173	132,044,551	-	-

23. OTHER OPERATING INCOME

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Foreign exchange gain : -				
- Realised	468	5,077	-	-
- Unrealised	158,031	761,444	-	-
Gain on disposal of property, plant and equipment	10,920	92	-	-
Gain on lease modification	-	17,340	-	17,340
Interest income	356,356	363,973	143,869	147,263
Interest income from subsidiary companies	-	-	2,089,068	2,260,907
Project income	424,321	3,281	-	-
Rental income	89,600	4,250	-	-
Reversal of inventories written off	-	8,581	-	-
Reversal of inventories written down	-	25,260	-	-
Sundry income	316,735	257,926	3	223
	1,356,431	1,447,224	2,232,940	2,425,733

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

24. NET IMPAIRMENT (GAIN)/LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Impairment losses on : -				
- trade receivables	82,874	146,247	-	-
- other receivables	1,753,368	19,778,428	-	14,450,000
- contract assets	-	36,168	-	-
- amount due from subsidiary companies	-	-	1,781,993	413,474
Reversal of impairment losses on : -				
- trade receivables	(626,708)	(876,277)	-	-
- other receivables	(523,055)	(9,702)	(320,000)	-
- contract assets	(1,479,503)	-	-	-
	(793,024)	19,074,864	1,461,993	14,863,474

25. FINANCE COSTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest expense on financial liabilities that are not at fair value through profit or loss : -				
- Amount due to subsidiary companies	-	-	157,171	6,492
- Bank overdrafts	110,709	3,306	-	-
- Bankers' acceptances	706,800	706,770	-	-
- Hire purchase	95,272	143,347	-	-
- Lease liabilities	20,078	5,666	13,500	39,815
- Revolving credits	293,422	-	-	-
- Term loans	1,313,457	1,214,975	-	-
	2,539,738	2,074,064	170,671	46,307

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

26. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
This is arrived at after charging:-				
Auditors' remuneration:-				
(a) Statutory audit				
- Kreston John & Gan	291,000	315,000	85,000	85,000
- Other auditors				
- current year	17,844	15,881	-	-
- prior year	-	47,977	-	-
(b) Non-audit services	13,000	13,000	13,000	13,000
Bad debt written off	645	-	-	-
Depreciation of property, plant and equipment	7,294,034	5,674,664	852,464	1,031,517
Depreciation of investment properties	145,000	12,083	-	-
Directors' remuneration (Note 28)	1,581,262	2,178,030	1,162,477	1,663,374
Loss on disposal of property, plant and equipment	208,793	-	-	-
Impairment losses on:-				
- property, plant and equipment	-	267,716	-	-
- investment in subsidiary	-	-	10,193,184	-
Inventories written down	26,165	11,592	-	-
Property, plant and equipment written off	10,685	392,311	-	388,298
Realised loss on foreign exchange	-	12,127	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

26. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
This is arrived at after charging:- (cont'd)				
Rental expense on:-				
(a) short-term lease				
- land and buildings	53,050	-	-	-
- plant and machineries	299,826	319,407	-	-
(b) low value assets				
- office equipment	85,748	70,265	26,581	29,779
Employee benefits expense (Note 27)	17,867,193	15,753,072	3,270,011	3,766,599
Unrealised loss on foreign exchange	-	283	-	283
And crediting:-				
Gain on disposal of property, plant and equipment	(10,920)	(92)	-	-
Gain on lease modification	-	(17,340)	-	(17,340)
Interest income on financial assets measured at amortised cost:-				
- amount due from subsidiary companies	-	-	(2,089,068)	(2,260,907)
- bank balances	(57,001)	(60,183)	-	(45)
- fixed deposits with licensed bank	(285,102)	(183,499)	(143,869)	(147,218)
- trade receivables	(14,253)	(120,291)	-	-
Realised gain on foreign exchange	(468)	(5,077)	-	-
Rental income	(89,600)	(4,250)	(264,000)	(264,000)
Reversal of inventories written down	-	(25,260)	-	-
Reversal of inventories written off	(3,081)	(21,803)	-	-
Unrealised gain on foreign exchange	(158,031)	(761,444)	-	-

27. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages, bonuses and allowances	15,467,280	13,530,787	2,729,230	3,192,080
Employment Insurance System	22,948	20,624	3,626	3,872
Employees Provident Fund	1,608,487	1,474,638	293,444	354,386
Social security cost	202,754	182,063	32,516	34,626
Other benefits	565,724	544,960	211,195	181,635
	17,867,193	15,753,072	3,270,011	3,766,599

Included in employee benefits expense of the Group and of the Company are compensation of key management personnels excluding benefits-in-kind, amounting to RM494,816 and RM245,409 (2023 – RM1,385,108 and RM1,104,141) respectively, as disclosed in Note 39 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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28. DIRECTORS' REMUNERATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Fees	95,530	321,377	95,530	321,377
Salaries, allowances and bonus	1,318,725	1,667,120	944,779	1,207,709
Employment Insurance System	356	403	237	213
Employees Provident Fund	163,531	185,596	119,851	132,204
Social security cost	3,120	3,534	2,080	1,871
	1,581,262	2,178,030	1,162,477	1,663,374

29. INCOME TAX EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Income tax:-				
- Current year	3,479,738	1,753,178	486,375	289,476
- Prior year	(157,396)	(189,389)	(5,387)	(38,497)
	3,322,342	1,563,789	480,988	250,979
Deferred tax	(463,076)	(4,048)	(77,598)	-
Income tax expense	2,859,266	1,559,741	403,390	250,979

The reconciliation from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows : -

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before taxation	7,684,873	(22,081,943)	(12,315,584)	(15,854,892)
Tax at statutory income rate of 24% (2023 - 24%)	1,844,370	(5,299,666)	(2,955,740)	(3,805,174)
Non-allowable expenses	2,970,875	6,888,942	3,287,478	4,069,957
Non-taxable income	(515,837)	(271,712)	(76,800)	(4,162)
Deferred tax assets not recognised	1,017,933	1,624,197	231,437	28,855
Utilisation deferred tax assets not recognised in previous year	(1,837,603)	(1,188,583)	-	-
Crystallisation of deferred tax liabilities	(463,076)	(4,048)	(77,598)	-
Over provision of taxation in previous financial year	(157,396)	(189,389)	(5,387)	(38,497)
Income tax expense	2,859,266	1,559,741	403,390	250,979

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29. INCOME TAX EXPENSE (cont'd)

As at 30 June 2024, the Group and the Company have the following temporary differences which are not recognised as deferred tax assets in the financial statements as it is not probable that future taxable income will be available to allow the assets to be utilised : -

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed capital allowances	11,466,428	16,633,962	961,751	854,922
Unutilised tax losses:-				
- expires YA2028	4,653,145	4,653,145	-	-
- expires YA2029	960,466	960,466	-	-
- expires YA2030	560,052	560,052	-	-
- expires YA2031	3,972,014	3,972,014	870,476	870,476
- expires YA2032	4,828,193	4,828,193	8,768	8,768
- expires YA2033	7,113,810	7,113,810	-	-
- expires YA2034	3,177,852	-	-	-
Other temporary differences	40,852,678	42,278,287	32,076,220	31,218,730
	77,584,638	80,999,929	33,917,215	32,952,896

30. EARNINGS/(LOSS) PER SHARE

	Group	
	2024 RM	2023 RM
Profit/(Loss) attributable to owners of the Company (RM)	4,481,877	(24,330,339)
Weighted average number of ordinary shares at 30 June	644,435,811	588,358,183
Basic earnings/(loss) per share (Sen)	0.70	(4.14)
Diluted earnings/(loss) per share (Sen)	0.70	(4.14)

The basic and diluted earnings/(loss) per share are reported to be the same for the current year and last year as the Company has no dilutive potential shares.

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31. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cost of property, plant and equipment purchased (Note 5)	26,928,366	890,028	21,724,521	439,518
Acquired through hire purchase arrangement	(609,200)	-	-	-
Addition of new lease liabilities	(72,848)	(480,028)	-	(369,074)
Unpaid and included under other payables	(15,936,832)	-	(15,936,832)	-
Cash payment on purchase of property, plant and equipment	10,309,486	410,000	5,787,689	70,444

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

- a. The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes as follows : -

	At 1 July	Net change from financing cash flows	Acquisition of new lease	New hire purchase	Derecognition due to lease modification	At 30 June
	RM	RM	RM	RM	RM	RM
Group						
2024						
Term loans	23,290,025	(638,665)	-	-	-	22,651,360
Bankers' acceptances	17,661,021	(4,543,021)	-	-	-	13,118,000
Lease liabilities	458,711	(120,112)	72,848	-	-	411,447
Hire purchase	1,821,617	(556,682)	-	609,200	-	1,874,135
Revolving credit	-	16,739,705	-	-	-	16,739,705
	43,231,374	10,881,225	72,848	609,200	-	54,794,647
2023						
Term loans	25,851,283	(2,561,258)	-	-	-	23,290,025
Bankers' acceptances	19,072,568	(1,411,547)	-	-	-	17,661,021
Lease liabilities	1,655,830	(733,426)	480,028	-	(943,721)	458,711
Hire purchase	2,436,431	(614,814)	-	-	-	1,821,617
	49,016,112	(5,321,045)	480,028	-	(943,721)	43,231,374

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32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (cont'd)

- a. The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes as follows : - (cont'd)

	At 1 July RM	Net change from financing cash flows RM	Acquisition of new lease RM	Derecognition due to lease modification RM	At 30 June RM
Company					
2024					
Lease liabilities	340,343	(118,500)	-	-	221,843
2023					
Lease liabilities	1,655,830	(740,840)	369,074	(943,721)	340,343

- b. Cash outflows for leases as a lessee : -

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in net cash from operating activities:-				
Payment relating to short-term leases	352,876	319,407	-	-
Payment relating to low-value assets	85,748	70,265	26,581	29,779
Interest paid in relation to lease liabilities	23,637	18,252	13,500	39,815
Included in net cash from financing activities:-				
Payment of lease liabilities	120,112	733,426	118,500	740,840
	582,373	1,141,350	158,581	810,434

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
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33. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	24,307,586	29,688,089	331,677	1,690,456
Fixed deposits with licensed banks	10,808,088	10,420,927	5,358,328	5,214,458
Bank overdrafts	(3,000,000)	(5,672,171)	-	-
	32,115,674	34,436,845	5,690,005	6,904,914
Less: Fixed deposits pledged to licensed banks (Note 14)	(10,808,088)	(10,420,927)	(5,358,328)	(5,214,458)
	21,307,586	24,015,918	331,677	1,690,456

34. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Senior Management as its chief operating decision maker in order to allocate resources to segments and to access their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 5 main reportable segments as follows : -

- Corporate Segment – involved in the provision of management services and investment holding.
 - Manufacturing Segment – involved in the manufacturing and sale of precast concrete pipes, prestressed spun concrete piles and other related concrete products as well as the manufacturing, supplying and installations of prefabricated Lightweight Systems products.
 - Property Trading Segment – involved in the business of dealing and trading of properties.
 - Construction/EPCC Segment/Project Management Segment – involved in the supply and installation of industrialised building system components, construction contracts, engineering, procurement, construction and commissioning (“EPCC”) which includes, among others, piping system, process control and instrumentation, equipment installation, road construction, road maintenance and other related services.
 - Others – involved in trading of shares.
- (a) The Group Senior Management assesses the performance of the reportable segments based on their profit before taxation. The accounting policies of the reportable segments are the same as the Group’s accounting policies.
- (b) Transactions between reportable segments are carried out on agreed terms between both parties. Transfer prices between operating segments are at arm’s length basis in a manner similar to transactions with third parties. The effects of such inter-segments transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Others RM	Consolidation adjustment and elimination RM	Group RM
2024							
Revenue							
External revenue	-	115,427,109	-	51,197,064	-	-	166,624,173
Inter-segment revenue	5,268,881	1,040,403	-	800,219	-	(7,109,503)	-
	5,268,881	116,467,512	-	51,997,283	-	(7,109,503)	166,624,173
Represented by:-							
<u>Revenue recognised at a point of time</u>							
- Sale of goods	-	116,467,512	-	-	-	(1,040,403)	115,427,109
<u>Revenue recognised over time</u>							
- Construction services	-	-	-	50,874,730	-	-	50,874,730
- Project management fee	-	-	-	322,334	-	-	322,334
<u>Revenue from other sources</u>							
- Management fees from subsidiaries	5,004,881	-	-	800,219	-	(5,805,100)	-
- Rental income	264,000	-	-	-	-	(264,000)	-
	5,268,881	116,467,512	-	51,997,283	-	(7,109,503)	166,624,173

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34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments (cont'd)

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Others RM	Consolidation adjustment and elimination RM	Group RM
2024							
Results							
Segment (loss)/profit	(10,419,261)	14,399,302	(28,069)	118,470	(9,003)	7,947,268	12,008,707
Finance costs	(201,815)	(2,476,553)	-	(2,929,516)	(30)	3,068,176	(2,539,738)
	(10,621,106)	11,922,749	(28,069)	(2,811,046)	(9,033)	11,015,444	9,468,969
Corporate expenses							(1,784,096)
Consolidated profit before taxation							7,684,873
Segment (loss)/profit includes the followings:-							
Bad debts written off	-	645	-	-	-	-	645
Depreciation of property, plant and equipment	852,464	5,160,605	-	1,492,899	-	(211,934)	7,294,034
Depreciation of investment properties	-	145,000	-	-	-	-	145,000
(Gain)/Loss on disposal of plant and equipment	-	(10,920)	-	208,793	-	-	197,873
Impairment losses on:-							
- trade receivables	-	43,750	-	39,124	-	-	82,874
- other receivables	-	-	-	1,753,368	-	-	1,753,368
Interest expense	188,315	2,416,565	-	2,388,315	30	(2,568,837)	2,424,388
Interest expense on lease liabilities	13,500	38,225	-	100,073	-	(131,720)	20,078
Interest expense on hire purchase	-	21,763	-	73,509	-	-	95,272
Interest income	(2,232,937)	(433,860)	-	(725, 805)	(283)	3,036,529	(356,356)
Inventories written down	-	26,165	-	-	-	-	26,165
Inventories written back	-	(3,081)	-	-	-	-	(3,081)
Property, plant and equipment written off	-	1,495	-	9,190	-	-	10,685
Reversal of impairment losses on:-							
- trade receivables	-	(436,093)	-	(190,615)	-	-	(626,708)
- other receivables	(320,000)	(3,055)	-	(200,000)	-	-	(523,055)
- contract assets	-	-	-	(1,479,503)	-	-	(1,479,503)
Unrealised gain on foreign exchange	-	-	-	(158,031)	-	-	(158,031)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments (cont'd)

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Others RM	Consolidation adjustment and elimination RM	Group RM
2024							
Assets							
Segment assets	210,582,292	188,327,411	711,664	89,478,212	89,929	(203,841,386)	285,348,122
Additions to non-current assets other than financial instruments are:-							
Property, plant and equipment	21,724,521	3,463,949	-	1,739,896	-	-	26,928,366
Liabilities							
Segment liabilities	36,557,133	99,427,412	-	69,516,464	6,074	(72,349,028)	133,158,055
	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Consolidation adjustment and elimination RM	Group RM	
2023							
Revenue							
External revenue	-	90,583,008	365,000	41,096,543	-	-	132,044,551
Inter-segment revenue	6,042,222	1,529,883	-	2,452,713	(10,024,818)	-	-
	6,042,222	92,112,891	365,000	43,549,256	(10,024,818)	-	132,044,551
Represented by:-							
<u>Revenue recognised at a point of time</u>							
- Sale of goods	-	92,112,891	-	-	-	(1,529,883)	90,583,008
- Sale of properties	-	-	365,000	-	-	-	365,000
<u>Revenue recognised over time</u>							
- Construction services	-	-	-	40,937,089	-	-	40,937,089
- Project management fee	-	-	-	159,454	-	-	159,454
<u>Revenue from other sources</u>							
- Management fees from subsidiaries	5,778,222	-	-	2,452,713	(8,230,935)	-	-
- Rental income	264,000	-	-	-	(264,000)	-	-
	6,042,222	92,112,891	365,000	43,549,256	(10,024,818)	-	132,044,551

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments (cont'd)

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Consolidation adjustment and elimination RM	Group RM
2023						
Results						
Segment (loss)/profit	(214,381)	6,035,345	(65,654)	(7,124,187)	(2,969,969)	(4,338,846)
Finance costs	(74,220)	(1,995,324)	-	(3,630,692)	3,626,172	(2,074,064)
	(288,601)	4,040,021	(65,654)	(10,754,879)	656,203	(6,412,910)
Corporate expenses						(15,669,033)
Consolidated loss before taxation						(22,081,943)
Segment (loss)/ profit includes the followings:-						
Depreciation of plant and equipment	191,745	2,980,229	-	586,735	(95,424)	3,663,285
Depreciation of investment properties	-	12,083	-	-	-	12,083
Depreciation of right-of- use assets	839,772	687,924	-	573,368	(89,685)	2,011,379
Gain on disposal of plant and equipment	-	-	-	(92)	-	(92)
Gain on lease modification	(17,340)	-	-	-	-	(17,340)
Impairment losses on:-						
- property, plant and equipment	-	-	-	267,716	-	267,716
- investment in a subsidiary company	-	-	-	90,000	(90,000)	-
- trade receivables	-	80,665	-	65,582	-	146,247
- other receivables	14,450,000	-	-	5,328,428	-	19,778,428
- contract assets	-	-	-	36,168	-	36,168
- amount due from subsidiary companies	413,474	65,141	-	908,078	(1,386,693)	-
Interest expense	34,405	1,947,175	-	3,417,346	(3,473,875)	1,925,051
Interest expense on lease liabilities	39,815	-	-	-	(34,149)	5,666

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments (cont'd)

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Consolidation adjustment and elimination RM	Group RM
2023						
Results (cont'd)						
Segment (loss)/ profit includes the followings:-(cont'd)						
Interest expense on hire purchase	-	48,149	-	213,346	(118,148)	143,347
Interest income	(2,408,170)	(281,572)	-	(1,266,254)	3,592,023	(363,973)
Inventories written down	-	11,592	-	-	-	11,592
Inventories written back	-	(21,803)	-	-	-	(21,803)
Property, plant and equipment written off	388,298	4,013	-	-	-	392,311
Reversal of impairment losses on:-						
- trade receivables	-	(876,277)	-	-	-	(876,277)
- other receivables	-	-	-	(9,702)	-	(9,702)
Reversal of inventories written down	-	(25,260)	-	-	-	(25,260)
Unrealised loss/(gain) on foreign exchange	283	-	-	(761,444)	-	(761,161)
Assets						
Segment assets	166,219,287	111,076,156	700,461	77,638,178	(166,887,013)	188,747,069
Additions to non- current assets other than financial instruments are:-						
Property, plant and equipment	439,518	1,553,562	-	25,950	(1,129,002)	890,028
Liabilities						
Segment liabilities	2,824,190	71,803,482	-	134,158,041	(103,561,486)	105,224,227

34.2 Geographical Information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

34.3 Major Customer

The following is the major customer with revenue equal to or more than 10% of the Group's total revenue : -

	Revenue		Segment
	2024 RM	2023 RM	
Customer #1	31,073,916	26,614,424	Construction services

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets measured at amortised cost ("FAAC"); and,
- (ii) Financial liabilities measured at amortised cost ("FLAC").

	Carrying amount RM	FAAC RM	FLAC RM
Group			
2024			
Financial assets			
Trade receivables	40,279,025	40,279,025	-
Other receivables and deposits	28,685,070	28,685,070	-
Fixed deposits with licensed banks	10,808,088	10,808,088	-
Cash and bank balances	24,307,586	24,307,586	-
	104,079,769	104,079,769	-
Financial liabilities			
Trade payables	(32,198,070)	-	(32,198,070)
Other payables and accruals	(25,860,991)	-	(25,860,991)
Borrowings	(57,383,200)	-	(57,383,200)
Lease liabilities	(411,447)	-	(411,447)
	(115,853,708)	-	(115,853,708)
2023			
Financial assets			
Trade receivables	44,757,364	44,757,364	-
Other receivables and deposits	16,917,726	16,917,726	-
Fixed deposits with licensed banks	10,420,927	10,420,927	-
Cash and bank balances	29,688,089	29,688,089	-
	101,784,106	101,784,106	-
Financial liabilities			
Trade payables	(48,716,100)	-	(48,716,100)
Other payables and accruals	(5,249,267)	-	(5,249,267)
Borrowings	(48,444,834)	-	(48,444,834)
Lease liabilities	(458,711)	-	(458,711)
	(102,868,912)	-	(102,868,912)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

a) Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows: (cont'd)

	Carrying amount RM	FAAC RM	FLAC RM
Company			
2024			
Financial assets			
Other receivables and deposits	1,242,775	1,242,775	-
Amount due from subsidiary companies	14,499,226	14,499,226	-
Fixed deposits with licensed banks	5,358,328	5,358,328	-
Cash and bank balances	331,677	331,677	-
	21,432,006	21,432,006	-
Financial liabilities			
Other payables and accruals	(16,495,019)	-	(16,495,019)
Amount due to a subsidiary company	(15,062,866)	-	(15,062,866)
Lease liabilities	(221,843)	-	(221,843)
	(31,779,728)	-	(31,779,728)
2023			
Financial assets			
Other receivables and deposits	320,872	320,872	-
Amount due from subsidiary companies	73,455,789	73,455,789	-
Fixed deposits with licensed banks	5,214,458	5,214,458	-
Cash and bank balances	1,690,456	1,690,456	-
	80,681,575	80,681,575	-
Financial liabilities			
Other payables and accruals	(1,469,865)	-	(1,469,865)
Amount due to a subsidiary company	(97,000)	-	(97,000)
Lease liabilities	(340,343)	-	(340,343)
	(1,907,208)	-	(1,907,208)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

b) Gains and losses arising from financial instruments

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Net (losses)/gain on:-				
Financial assets measured at amortised cost	1,153,392	(17,364,403)	770,944	(12,455,587)
Financial liabilities measured at amortised cost	(2,392,821)	(2,667,025)	(170,671)	(46,307)
	(1,239,429)	(20,031,428)	600,273	(12,501,894)

c) Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity and cash flow risk
- Market risk
- Operational risk

i) Credit risk

Credit risk is the risk of a financial loss to the Group or to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers and advances to subsidiary companies.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high credit worthiness. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

There are no significant changes as compared to previous financial year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

Concentration of credit risk

As at 30 June 2024, the Group has significant concentration of credit risk in the form of outstanding balance of approximately RM11,901,499 due from five trade receivables which represents 30% of the total trade receivable of the Group. However, the directors are of the opinion that these amounts outstanding is fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure the expected credit losses ("ECL") of trade receivables from individual customers, which comprise a very large number of insignificant balances outstanding.

To measure the ECLs, trade receivables have been grouped based on credit risk and day past due.

Where a trade receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2024 and 30 June 2023 respectively which are grouped together as they are expected to have similar risk nature : -

	Gross RM	Loss allowance RM	Net RM
Group			
2024			
Trade receivables : -			
Not past due	20,148,032	-	20,148,032
1-30 days past due	6,586,321	-	6,586,321
31-60 days past due	5,882,414	-	5,882,414
61-90 days past due	2,491,424	-	2,491,424
91-180 days past due	2,726,450	-	2,726,450
181-365 days past due	2,295,127	(13,116)	2,282,011
Past due over 365 days	162,373	-	162,373
	40,292,141	(13,116)	40,279,025
Individual impairment	21,956,933	(21,956,933)	-
	62,249,074	(21,970,049)	40,279,025
Contract assets	15,751,771	-	15,751,771
Individual impairment	418,870	(418,870)	-
	16,170,641	(418,870)	15,751,771

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2024 and 30 June 2023 respectively which are grouped together as they are expected to have similar risk nature : - (cont'd)

	Gross RM	Loss allowance RM	Net RM
Group			
2023			
Trade receivables:-			
Not past due	16,895,906	-	16,895,906
1-30 days past due	7,646,617	-	7,646,617
31-60 days past due	2,329,872	-	2,329,872
61-90 days past due	2,433,583	-	2,433,583
91-180 days past due	2,163,830	-	2,163,830
181-365 days past due	757,450	-	757,450
Past due over 365 days	12,740,629	(210,523)	12,530,106
	44,967,887	(210,523)	44,757,364
Individual impairment	22,235,638	(22,235,638)	-
	67,203,525	(22,446,161)	44,757,364
Contract assets	6,193,541	-	6,193,541
Individual impairment	1,898,373	(1,898,373)	-
	8,091,914	(1,898,373)	6,193,541

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below : -

	Lifetime ECL RM	Credit impaired RM	Total RM
Group			
2024			
Trade receivables			
At 1 July	210,523	22,235,638	22,446,161
Addition	-	82,874	82,874
Effects of foreign exchange differences	-	67,722	67,722
Reversal of impairment loss no longer required	(197,407)	(429,301)	(626,708)
At 30 June	13,116	21,956,933	21,970,049
Contract assets			
At 1 July	-	1,898,373	1,898,373
Reversal of impairment loss no longer required	-	(1,479,503)	(1,479,503)
At 30 June	-	418,870	418,870
2023			
Trade receivables			
At 1 July	210,523	81,342,648	81,553,171
Addition	-	146,247	146,247
Effects of foreign exchange differences	-	1,678,528	1,678,528
Reversal of impairment loss no longer required	-	(876,277)	(876,277)
Written off	-	(60,055,508)	(60,055,508)
At 30 June	210,523	22,235,638	22,446,161
Contract assets			
At 1 July	-	1,862,205	1,862,205
Addition	-	36,168	36,168
At 30 June	-	1,898,373	1,898,373

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS *(cont'd)*

c) Financial risk management *(cont'd)*

i) Credit risk *(cont'd)*

Other receivables

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amount in the statement of financial position.

The identified allowance for impairment losses of other receivables of the Group and the Company are disclosed in Note 11 to the financial statements.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiary companies. The Company monitors the ability of the subsidiary companies to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment losses

Generally, the Company considers loans and advances to subsidiary companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiary companies are not able to pay when demanded. The Company considers a subsidiary company's loan or advance to be credit impaired when :-

- (a) The subsidiary company is unlikely to repay its loan or advance to the Company in full;
- (b) The subsidiary company's loan or advance is overdue for more than 365 days; or
- (c) The subsidiary company is continuously loss making and is having a deficit shareholders' funds.

The Company determines the probability of default for these loans and advances individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Inter-company loans and advances (cont'd)

Recognition and measurement of impairment losses (cont'd)

The movements in the allowance for impairment in respect of amount due from subsidiary companies during the financial year are shown below : -

	Lifetime ECL RM	Credit impaired RM	Total RM
Company			
2024			
At 1 July	-	16,023,264	16,023,264
Addition	-	1,781,993	1,781,993
At 30 June	-	17,805,257	17,805,257
2023			
At 1 July	-	15,609,790	15,609,790
Addition	-	413,474	413,474
At 30 June	-	16,023,264	16,023,264

Financial guarantee

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of subsidiary companies and repayments made by the subsidiary companies.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM56,517,106 (2023 – RM42,265,950) representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period.

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

ii) Liquidity and cash flow risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : -

	Carrying amount	Contractual interest rate	Contractual cash flows	Under 1 year	1-2 years	2-5 years	More than 5 years
	RM	%	RM	RM	RM	RM	RM
Group							
2024							
<i>Non-derivative financial liabilities</i>							
Trade payables	32,198,070	-	32,198,070	32,198,070	-	-	-
Other payables and accruals	25,860,991	-	25,860,991	14,025,715	2,930,959	8,828,686	75,631
Bank overdrafts	3,000,000	8.00	3,240,000	3,240,000	-	-	-
Term loans	22,651,360	3.25 - 7.00	31,884,176	2,590,158	2,635,429	7,906,286	18,752,303
Bankers' acceptances	13,118,000	5.00	13,773,900	13,773,900	-	-	-
Lease liabilities	411,447	4.90 - 6.65	447,250	147,000	147,000	153,250	-
Hire purchases	1,874,135	2.12 - 6.65	2,060,442	611,616	641,377	658,851	148,598
Revolving credit	16,739,705	6.20	17,777,567	17,777,567	-	-	-
	115,853,708		127,242,396	84,364,026	6,354,765	17,547,073	18,976,532
2023							
<i>Non-derivative financial liabilities</i>							
Trade payables	48,716,100	-	48,716,100	48,716,100	-	-	-
Other payables and accruals	5,249,267	-	5,249,267	5,107,291	12,866	57,990	71,120
Bank overdrafts	5,672,171	7.70 - 7.95	6,110,761	6,110,761	-	-	-
Term loans	23,290,025	4.50 - 5.70	27,334,370	3,771,842	3,771,842	11,315,525	8,475,161
Bankers' acceptances	17,661,021	5.00 - 5.20	18,553,204	18,553,204	-	-	-
Lease liabilities	458,711	4.90	481,188	108,000	108,000	132,000	-
Hire purchases	1,821,617	2.12 - 6.51	2,033,411	545,352	545,352	1,043,245	32,650
	102,868,912		108,478,301	82,912,550	4,438,060	12,548,760	8,578,931

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

ii) Liquidity and cash flow risk (cont'd)

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : - (cont'd)

	Carrying amount	Contractual interest rate	Contractual cash flows	Under 1 year	1-2 years	2-5 years	More than 5 years
	RM	%	RM	RM	RM	RM	RM
Company							
2024							
<i>Non-derivative financial liabilities</i>							
Other payables and accruals	16,495,019	-	16,495,019	4,798,206	2,921,639	8,764,917	10,257
Amount due to a subsidiary company	15,062,866	3.75	15,621,875	15,621,875	-	-	-
Lease liabilities	221,843	4.90	231,000	132,000	99,000	-	-
Corporate guarantee given to licensed banks for credit facilities granted to subsidiary companies	-	-	56,517,106	56,517,106	-	-	-
	31,779,728		88,865,000	77,069,187	3,020,639	8,764,917	10,257
2023							
<i>Non-derivative financial liabilities</i>							
Other payables and accruals	1,469,865	-	1,469,865	1,461,128	-	-	8,737
Amount due to a subsidiary company	97,000	3.50	100,395	100,395	-	-	-
Lease liabilities	340,343	4.90	363,000	132,000	132,000	99,000	-
Corporate guarantee given to licensed banks for credit facilities granted to subsidiary companies	-	-	42,265,950	42,265,950	-	-	-
	1,907,208		44,199,210	43,959,473	132,000	99,000	8,737

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

Currency risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in a currency other than the functional currency of the Group and of the Company. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and Euro.

The management monitors the foreign currency exposure on an ongoing basis.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group) risk, based on carrying amounts as at the end of the reporting period was : -

Balance recognised in the statement of financial position:	Denominated in		
	USD RM	Euro RM	MYR RM
Group			
2024			
Trade receivables	-	-	40,279,025
Other receivables and deposits	-	-	28,685,070
Fixed deposits with licensed banks	-	-	10,808,088
Cash and bank balances	192,066	5,142	24,110,378
Trade payables	-	-	(32,198,070)
Other payables and accruals	(17,934)	-	(25,843,057)
Borrowings	-	-	(57,383,200)
Lease liabilities	-	-	(411,447)
	174,132	5,142	(11,953,213)
2023			
Trade receivables	-	-	44,757,364
Other receivables and deposits	-	-	16,917,726
Fixed deposits with licensed banks	-	-	10,420,927
Cash and bank balances	49,267	5,168	29,633,654
Trade payables	-	-	(48,716,100)
Other payables and accruals	(16,329)	-	(5,232,938)
Borrowings	-	-	(48,444,834)
Lease liabilities	-	-	(458,711)
	32,938	5,168	(1,122,912)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iii) Market risk (cont'd)

Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

The Company's exposure to foreign currency (a currency which is other than the functional currency of the Company) risk, based on carrying amounts as at the end of the reporting period was : - (cont'd)

Balance recognised in the statement of financial position:	Denominated in		
	USD RM	Euro RM	MYR RM
Company			
2024			
Other receivables and deposits	-	-	1,242,775
Amount due from subsidiary companies	-	-	14,499,226
Fixed deposits with licensed banks	-	-	5,358,328
Cash and bank balances	-	-	331,677
Other payables and accruals	-	-	(16,495,019)
Amount due to a subsidiary company	-	-	(15,062,866)
Lease liabilities	-	-	(221,843)
	-	-	(10,347,722)
2023			
Other receivables and deposits	-	-	320,872
Amount due from subsidiary companies	-	-	73,455,789
Fixed deposits with licensed banks	-	-	5,214,458
Cash and bank balances	-	-	1,690,456
Other payables and accruals	-	-	(1,469,865)
Amount due to a subsidiary company	-	-	(97,000)
Lease liabilities	-	-	(340,343)
	-	-	78,774,367

A 10% (2023 – 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iii) Market risk (cont'd)

Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

	2024	2023
	RM	RM
Effects on profit/(loss) after tax		
EUR/MYR		
- strengthened by 10%	391	393
- weakened by 10%	(391)	(393)
USD/MYR		
- strengthened by 10%	13,234	2,503
- weakened by 10%	(13,234)	(2,503)

A 10% (2023 – 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term investments such as deposits with licensed banks are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iii) Market risk (cont'd)

Interest rate risk (cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Fixed rate instruments</u>				
Lease liabilities	411,447	458,711	221,843	340,343
Hire purchase	1,874,135	1,821,617	-	-
<u>Floating rate instruments</u>				
Bankers' acceptances	13,118,000	17,661,021	-	-
Bank overdrafts	3,000,000	5,672,171	-	-
Term loans	22,651,360	23,290,025	-	-
Revolving credit	16,739,705	-	-	-

Interest rate risk sensitivity analysis : -

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had been 100 basis points lower /higher, with all other variables held constant, the Group's profit net of tax would have been RM421,868 (2023 – RM354,337) higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

iv) Operational risk

The operational risk arises from the daily activities of the Group and of the Company which includes legal, credit reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approval limits, clear reporting structure, segregation of duties, policies and procedures implemented and periodic management meetings.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iv) Operational risk (cont'd)

In dealing with its stewardship, the directors recognise that effective risk management is an integral part of good business practice.

The directors will pursue an ongoing process of identifying, assessing and managing key business areas, overall operational and financial risks faced by the business units as well as regularly reviewing and enhancing risk mitigating strategies with its appointed and key management personnel.

d) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings reasonably approximate their fair value due to the relatively short-term nature of these financial instruments. As the financial assets and liabilities of the Group and of the Company are not carried at fair value by any valuation method, the fair value hierarchy is not presented.

36. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may take adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Total borrowings (RM)	55,509,065	46,623,217	-	-
Hire purchases (RM)	1,874,135	1,821,617	-	-
	57,383,200	48,444,834	-	-
Less : Cash and bank balances (RM)	(24,307,586)	(29,688,089)	(331,677)	(1,690,456)
Less : Fixed deposits with licensed banks (RM)	(10,808,088)	(10,420,927)	(5,358,328)	(5,214,458)
	22,267,526	8,335,818	(5,690,005)	(6,904,914)
Total equity (RM)	152,190,067	83,522,842	137,168,273	126,355,735
Debt-to-equity ratio (times)	0.15	0.10	NA	NA

NA = Not applicable

There was no change in the Group's and the Company's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

37. CAPITAL COMMITMENT

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Approved and contracted for:-				
- purchase of property, plant and equipment	11,145,136	2,270,836	7,349	45,935

38. CONTINGENT LIABILITIES

	Group	
	2024	2023
	RM	RM
<u>Secured</u>		
Corporate guarantee granted for:-		
- subsidiary companies *	56,517,106	42,265,950

* Based on the maximum amount that can be called for under the corporate guarantee given to licensed banks for credit facilities granted to the subsidiary companies.

39. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company, and certain members of the senior management of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

39. RELATED PARTIES (cont'd)

Significant related party transactions

Related party transactions entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are shown below. The related party balances are shown in Note 13 to the financial statements.

a) Related party transactions : -

	Company	
	2024	2023
	RM	RM
Transaction with subsidiary companies:-		
SCIB Concrete Manufacturing Sdn. Bhd.		
- Management fees	(3,338,977)	(3,428,088)
- Rental income	(264,000)	(264,000)
- Interest expense	155,972	6,492
SCIB Properties Sdn. Bhd.		
- Management fees	(327,564)	(1,318,277)
- Interest income	(1,038,871)	(916,468)
SCIB Holdings Sdn. Bhd.		
- Management fees	(45,778)	(53,624)
- Interest income	(31,144)	(27,913)
SCIB Industrialised Building System Sdn. Bhd.		
- Management fees	(1,109,450)	(722,079)
- Interest expense	916	-
- Interest income	(519,856)	(410,534)
SCIB Infracore Sdn. Bhd.		
- Management fees	(45,778)	(53,624)
- Interest income	(81,037)	(56,891)
SCIB Sasoakai JV Sdn. Bhd. (formerly known as SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd.)		
- Interest income	(5,756)	-
SCIB Trading Sdn. Bhd.		
- Interest income	(30)	-
- Interest expense	283	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

39. RELATED PARTIES (cont'd)

Significant related party transactions (cont'd)

a) Related party transactions : - (cont'd)

	Company	
	2024	2023
	RM	RM
Transaction with subsidiary companies:- (cont'd)		
SCIB LW System Sdn. Bhd.		
- Management fees	(45,778)	(74,453)
- Interest income	(11,504)	(176)
SCIB Building Solutions Sdn. Bhd.		
- Management fees	(45,778)	(74,453)
- Interest income	(3,168)	(653)
- Lease expense	132,000	33,000
SCIB International (Labuan) Ltd.		
- Management fees	(45,778)	(53,624)
- Interest income	(397,702)	(848,272)
	Group	
	2024	2023
	RM	RM
Transaction with an associate company:-		
Edaran Kencana Sdn. Bhd.		
- Consultation fees	-	-
- Purchase of safety personal protective equipment	25,870	4,115
- Purchase of signage	-	10,600
- Sub-contractor charges	-	57,128
- Transport charges	-	900
Transaction with a related party:-		
Transnational Insurance Brokers (M) Sdn. Bhd.		
- Insurance premium	238,037	605,547

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

39. RELATED PARTIES (cont'd)

Significant related party transactions (cont'd)

a) Related party transactions : - (cont'd)

	Company	
	2024	2023
	RM	RM
Transnational Insurance Brokers (M) Sdn. Bhd.		
- Insurance premium	32,238	84,858
	Group	
	2024	2023
	RM	RM
Transaction with a director:-		
Chiew Jong Wei		
- Sale of motor vehicle	(35,000)	-

b) Key management personnel compensation

The key management personnel of the Group and the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows : -

i) Directors

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Directors of the Company</u>				
Short-term employee benefits				
- fees	95,530	321,377	95,530	321,377
- salaries, bonuses and other benefits	944,779	1,207,709	944,779	1,207,709
- Employees Provident Fund	119,851	132,204	119,851	132,204
- Employment Insurance System	237	213	237	213
- Social security cost	2,080	1,871	2,080	1,871
	1,162,477	1,663,374	1,162,477	1,663,374

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

39. RELATED PARTIES (cont'd)

Significant related party transactions (cont'd)

b) Key management personnel compensation (cont'd)

The key management personnel compensation during the financial year are as follows : - (cont'd)

i) Directors (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Directors of the subsidiary companies</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	373,946	459,411	-	-
- Employees Provident Fund	43,680	53,392	-	-
- Employment Insurance System	119	190	-	-
- Social security cost	1,040	1,663	-	-
	418,785	514,656	-	-
Total directors' remuneration (Note 28)	1,581,262	2,178,030	1,162,477	1,663,374
Estimated monetary value of benefits-in-kind	45,358	8,800	36,558	8,800

Save from the above, no other director has received or become entitled to receive any benefit from the Group.

ii) Key management personnel

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term employee benefits				
- salaries, bonuses and other benefits	440,290	1,236,368	218,646	985,968
- Employees Provident Fund	52,305	144,195	25,701	114,747
- Employment Insurance System	228	459	109	344
- Social security cost	1,993	4,086	953	3,082
Total compensation for key management personnel	494,816	1,385,108	245,409	1,104,141
Estimated monetary value of benefits-in-kind	8,800	17,600	8,067	17,600

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
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40. MATERIAL LITIGATION

(a) **Kabaz Sdn. Bhd vs Sarawak Consolidated Industries Berhad – Sepang Sessions Court (Suit No. BK-B52-5-05/2023)**

On 26 May 2023, Kabaz Sdn. Bhd. filed in Sepang Sessions Court Suit No. BK-B52-5-05/2023 against the Company for the outstanding rental sum of RM320,000.

On 14 July 2023, the Company counterclaimed against Kabaz Sdn. Bhd. in the same suit for the return of the Earnest Deposit Sum of RM450,000.

The Defendant filed Reply to Defence & Defence to Counterclaim on 3 August 2023. The Company filed Reply to Defence to Counterclaim on 25 August 2023.

The pleading was closed on 25 August 2023. The Court has directed the parties to go for mediation. The mediation session is scheduled on 6 November 2023 at Shah Alam Mediation Centre.

Both Parties however, did not agree to a settlement during the mediation session. The Company filed a Determination Application on 23 January 2024 wherein, the Court has made a decision on 2 August 2024 and ordered that the Company has succeeded in their Counterclaim together with Kabaz's claim.

Nonetheless, Kabaz has filed an appeal to the said decision on 16 August 2024 and Parties are currently waiting for the next date to be fixed by the Court for the appeal.

(b) **Kencana Healthcare Sdn. Bhd. (“Kencana Healthcare”) vs Sarawak Consolidated Industries Berhad – Shah Alam High Court (Suit No. BA-22NCvC-221-06/2023)**

On 9 June 2023, the Company filed in Shah Alam High Court Suit No. BA-22NCvC-221-06/2023 against Kencana Healthcare for the return of the commitment fee of RM1,650,000 which was paid by SCIB Properties Sdn. Bhd., a wholly owned subsidiary company of the Company, to Kencana Healthcare pursuant to a Letter of Award dated 13 August 2021.

On 25 July 2023, Kencana Healthcare counterclaimed against the Company in the same suit for, amongst other, the alleged outstanding commitment fee of RM3,350,000. Kencana Healthcare alleged that SCIB has to pay the balance commitment fee in the sum of RM3,350,000 to them.

The Company had pleaded in their Defence to Counterclaim that there is no obligation on part of the Company to pay the balance commitment fee of RM3,350,000 and neither is Kencana Healthcare entitled to retain the said RM1,650,000 paid to them by the Company since the parties had agreed that the RM1,650,000 is to be returned to the Company following the mutual withdrawal of the Letter of Award.

On 29 August 2023, the Company filed Reply to Defence and Defence to Counterclaim. Kencana Healthcare is to obtain the Court's direction on the filing of Reply to Defence to Counterclaim in the coming case management scheduled on 18 October 2023.

The Company proceeded to file a Determination Application on 30 January 2024 and the hearing for the same was fixed by the Court on 18 September 2024. The Court decided that the matter cannot be resolved by way of a Determination Application and that a trial is necessary. The Court instructed the Parties to file the Common Bundle of Documents by 13 November 2024 in preparation for trial and fixed 29 November 2024 for a case management to update the Court of the same. Additionally, Kencana Healthcare has also withdrawn their Counterclaim.

Concurrently, both Parties are in the midst of negotiating a settlement of the outstanding debt.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

40. MATERIAL LITIGATION (cont'd)

(c) **NCX Capital Berhad (“NCX”) vs Sarawak Consolidated Industries Berhad – Sessions Court of Shah Alam Case No. BA-B52NCVC-103-06/2023**

On 28 June 2023, the Company filed Writ of Summons and Statement of Claim against NCX Capital Berhad (“NCX”).

The Company had appointed NCX as a tender services consultant for projects namely *Kerja-kerja Naiktaraf Jalan Rancangan Suan Lembah Peringkat 2 Kinabatangan Sabah* and *Projek Menaik Taraf Jalan Pantu/ Keranggas/Jalan Engkeranji Pantu Bahagian Sri Aman Sarawak*. According to terms of the appointment, the Company was to pay an engagement fee amounting to RM200,000 for each project respectively to NCX.

Nevertheless, after a series of payments made, NCX had failed to enter tender for both projects. The Company also believes that NCX had fraudulently misrepresented their ability to obtain both projects.

Hence, the Company is claiming for a declaration of the appointment to be void and the total sum of RM400,000 being the total payment of engagement fee for both projects is to be returned to the Company.

Writ of Summons and Statement of Claim dated 28 June 2023 were served to NCX on 4 July 2023. However, until to date NCX has yet to enter an appearance.

The case management had been fixed on 1 September 2023. The case management was postponed to 13 September 2023 wherein the Company had been given approval from the Court to file the Certificate of Non-Appearance and Draft Judgment in Default (JID) since the Defendant had failed to enter any appearance and the Court had given a short date for the next case management on 27 September 2023 to record the JID which was then obtained on 31 October 2023.

The Company proceeded to file a Garnishee Proceeding against NCX on 15 March 2024 wherein, on the hearing which was fixed on 24 April 2024, the Company has successfully garnished an amount of RM8,246.38.

The Company has since decided to discontinue litigation against NCX, deeming further legal action impractical and unfeasible.

(d) **Bismark Capital Sdn. Bhd. (“Bismark Capital”) vs SCIB Properties Sdn. Bhd. – Sessions Court of Kuala Lumpur Case No. WA-B52NCVC-276-06/2023**

On 28 June 2023, the Company filed Writ of Summons and Statement of Claim against Bismark Capital.

By way of a Letter of Award (“LOA”) dated 1 March 2022, the Company was awarded a project namely “Project of Engineering Services for Maxis Installations and Fixed Monopole New Site Project Penisular Malaysia 300 units of Monopoles for Phase 1 – 50 poles” from Bismark Capital. According to the terms of LOA, SCIB Properties Sdn. Bhd., a wholly owned subsidiary company of the Company, was required to pay a Security Deposit of RM350,000 to Bismark Capital and the payment was duly made on 29 April 2022.

However, by way of Cancellation Letter dated 22 June 2022, Bismark Capital informed that the project was discontinued due to an internal problem by Maxis and the security deposit will be returned to the Company within 30 days from the date of the Cancellation letter.

Until the filing of this action, the Company has yet to receive the security deposit from Bismark Capital. Therefore, the Company initiates this action to claim for the security deposit of RM350,000.

Writ of Summons and Statement of Claim dated 28 June 2023 were served to Bismark Capital on 4 July 2023 to Bismark Capital. However, NCX has failed to enter an appearance.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

40. MATERIAL LITIGATION (cont'd)

(d) **Bismark Capital Sdn. Bhd. (“Bismark Capital”) vs SCIB Properties Sdn. Bhd. – Sessions Court of Kuala Lumpur Case No. WA-B52NCVC-276-06/2023** (cont'd)

Thereafter, the Company filed the Certificate of Non-Appearance and a draft Judgement in Default of Appearance. The Court granted Judgement In Default (“JID”) of appearance against Bismark Capital via case management on 23 August 2023. Currently, the case is pending filing of fair JID.

The JID against Bismark Capital was recorded on 21 August 2023 and we received the Sealed JID from Court on 23 August 2023.

The Sealed JID was served to the Defendant on the 30 August 2023 and it was duly received as per the Acknowledgement Receipt for the service letter dated 29.08.2023.

The Company proceeded to file a Garnishee Proceeding against Bismark Capital on 29 December 2023. However, the same was withdrawn on 9 February 2024 due to the fact that the Garnishees, Maybank Banking Berhad and Maybank Islamic Berhad stated that Bismark Capital does not maintain any deposit account with the Garnishees.

Pursuant to this, the Company filed a Winding Up Petition against Bismark Capital, bearing Case No. BA-28NCC-186-03/2024 on 26 March 2024. Bismark Capital subsequently appointed a lawyer to oppose the winding-up petition. At present, both Parties are in the midst of negotiating a settlement of the outstanding debt. The Court has fixed a case management on 24 October 2024 to update the Court on the settlement.

(e) **Dynamic Prestige Consultancy Sdn. Bhd. (“Dynamic Prestige”) vs Sarawak Consolidated Industries Berhad – Shah Alam High Court Civil Suit No. BA-22NCC-83-07/2023**

On 6 July 2023, the Company (“the Plaintiff”) filed in Shah Alam High Court (Civil Suit No. BA-22NCC-83-07/2023) against Dynamic Prestige (“Defendant”) for :-

- i) Writ and Statement of Claim to, among others, claim for the payment or refund of the sum of RM14,000,000 pursuant to the Defendant’s undertaking that it would return the sum of RM14,000,000 paid by the Company to the Dynamic Prestige in the event the Company decides not to proceed with the Redeemable Convertible Preference Shares scheme offered by Dynamic Prestige (“Main Suit”).
- ii) Ex-parte Notice of Application for an injunction to prevent the Defendant from dissipating its assets pending the hearing and disposal of the Main Suit. (“Injunction Application”)

On 1 August 2023, the High Court granted an ad-interim injunction to the Company and directed the parties file their respective cause papers and pleadings.

An application for recusal (“Recusal Application”) was filed on 7 September 2023 against the solicitors for the Defendant.

The High Court has fixed 1 November 2023 for the case management of the Main Suit and the hearing for the Injunction Application, Refusal Application, and Expunge Application on 16 January 2024 which was then extended to 30 January 2024.

On 30 January 2024, the High Court held that the Injunction Application was granted and the order previously granted will remain in effect until the Main Suit is resolved.

On 29 February 2024, the High Court has instructed both parties to file pre-trial documents and Witness Statement on 11 June 2025 and 21 July 2025, respectively. The next case management is fixed on 28 July 2025 and the trial for the main suit is scheduled from 11 August 2025 until 15 August 2025.

On 5 June 2024, the Court has fixed the hearing for an appeal application by the Defendant on the Injunction Order before the Court of Appeal on 14 January 2024. A case management is also fixed on 6th January 2025.

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41. SIGNIFICANT EVENTS

(i) Settlement agreement and termination of contract in relation to Muallim Project

On 6 July 2023, the Company and its wholly owned subsidiary company, SCIB Properties Sdn. Bhd. ("SCIBP") entered into a settlement agreement with Awana JV Suria Saga Sdn. Bhd. ("Client") who is also the project owner of the abovementioned project that has been awarded to the Group on 7 May 2021, to mutually terminate the Contract and confirm the obligation on the full and final settlement of debts and establish the term and payment schedule for the amount due between the parties after taking into consideration of protecting the Group's interests in mitigating the risks arising from the non-movement of project progress.

The key salient terms of the said agreements included that the said parties acknowledged and confirmed their obligations on the settlement of the debt of RM18,715,250 only ("Debt") and it shall assume the sole obligation and responsibility to reimburse the Debt to SCIBP in accordance with Schedule A in the said agreement.

The first payment which amounted to RM75,000 has been received by SCIBP on 21 August 2023.

Subsequently, on 15 April 2024, SCIBP entered into a Settlement cum Appointment of Contractor Agreement ("Further Agreement") with their client for the purposes of the followings:-

- a) appointing SCIBP as the sole main contractor for construction of the abovementioned project; and
- b) providing their client an opportunity to repay the outstanding amount of RM19,132,682 ("Total Indebtedness") owing to SCIBP. The amount includes a balance of RM18,640,250 and an additional sum of RM492,432 previously advanced on behalf of the client by SCIB Industrialised Building System Sdn. Bhd. ("SIBS"), a related company of SCIBP ("Subsequent Indebtedness").

The Client had also registered a Power of Attorney dated 15 April 2024 in favour of SCIBP to among others, to do and perform all or any of the acts and things on behalf of AWANA. A Letter of Award ("LOA") dated 25 July 2024 was awarded to SCIBP as the exclusive Main Contractor for the Muallim Project by AWANA.

(ii) Proposed acquisition of five (5) plots of land

On 4 January 2024, the Company received an offer from Jabatan Tanah dan Survei, Bahagian Kuching (also referred to as "the Land and Survey Department of Sarawak") for the acquisition of five (5) plots of land known as Lot 787, 788, 789, 790 and 791, Block 4, Muara Tebas Land District (Plot 11, 12, 13, 14 and 15) at Taman Perindustrian Demak Laut Phase IIb (Stage 2), Kuching, Sarawak, each with a tenure of 60 years with a total area of approximately 8.8544 ha (about 21.879 acres), for a total purchase consideration of RM21.62 million.

The Company had on 26 January 2024 accepted the offer from the Land and Survey Department of Sarawak for the land acquisition, subject to terms and condition as stipulated on the Letter of Offer. The remaining purchase consideration for the land acquisition shall be paid in yearly instalments up to the calendar year 2028.

On 26 January 2024, the Company had made the first payment of RM5,684,524 to the State Government.

The proposed land acquisition shall be completed in stages.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

41. SIGNIFICANT EVENTS *(cont'd)*

(iii) Long term incentive plan

The company has proposed to establish and implement a long term incentive plan for the eligible directors and employees of SCIB and its non-dormant subsidiary companies which will be in force for a period of 5 years ("Proposed LTIP"). The maximum number of new SCIB ordinary share which may be made available under the Proposed LTIP shall not exceed 15.0% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the Proposed LTIP. The Proposed LTIP comprises of a share grant plan ("Proposed SGP") and a share option plan ("Proposed SOP"). The Proposed LTIP was approved by the shareholders at Extraordinary General Meeting on 27 March 2024.

The effective date for the implementation of the Proposed LTIP was 24 July 2024. As of the financial year ended 30 June 2024, the Company has not awarded/granted any shares or option under the LTIP.

42. SUBSEQUENT EVENTS

(i) Settlement cum Appointment of Contractor Agreement ("Further Agreement") and acceptance of a Letter of Award ("LOA") from AWANA JV SURIA SAGA SDN. BHD. ("AWANA")

On 25 July 2024, the wholly owned subsidiary company, SCIB Properties Sdn. Bhd. ("SCIBP") accepted a LOA from AWANA for securing an EPCC contract subject to the terms and conditions stipulated in the LOA ("Contract"). On the same date, the Company has been appointed as the Corporate Guarantor in favour of MBSB Bank Berhad for the loan facilities granted to AWANA to facilitate the completion of the project as per the Contract.

(ii) Acquisition of land

On 18 September 2024, the wholly owned subsidiary company, SCIB Properties Sdn. Bhd. ("SCIBP"), had entered into a sale and purchase agreement with Ginteck Sdn. Bhd. to acquire all that parcel of land and appurtenances thereof situated at Bintulu Sibiu Road, Bintulu containing an area of approximately 2.49 hectares described as Lot 1673 Block 32 Kemena Land District for a cash consideration of RM9.23 million.

The land acquisition is expected to contribute positively to all business segments of the Group, i.e. Property Trading, Manufacturing and Engineering, Procurement, Construction and Commissioning segments, through collaboration with developers to jointly develop and construct residential housing projects by leveraging on the Group's products and construction expertise.

As at the date of this report, the land acquisition is yet to be completed. Barring any unforeseen circumstances, the land acquisition is expected to be completed by the end of calendar year 2024.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, Ku Chong Hong and Chiew Jong Wei, being two of the directors of Sarawak Consolidated Industries Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements set out on pages 147 to 232 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 June 2024 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Ku Chong Hong

Kuala Lumpur,
Date : 14 October 2024

Chiew Jong Wei

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Chiew Jong Wei, MIA No. 38656, being the director primarily responsible for the financial management of Sarawak Consolidated Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 147 to 232, to the best of my knowledge and belief, are correct.

And, I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovementioned
at Kuching in the State of Sarawak
on this 14 October 2024

Chiew Jong Wei

Before me

Phang Dah Nan
Commissioner For Oaths
No.55, 1st Floor,
Jalan Chan Bee Kiew,
Off Jalan Padungan,
93100 Kuching, Sarawak



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**ADDITIONAL
INFORMATION**

LIST OF PROPERTIES

Properties held by the Group as at 30 June 2024

Properties acquired by the Group						
Tenure	Description/ Location	Approximate Area	Age of Building (Years)	Existing Use	Net Book Value @ 30.06.2024 (RM'000)	Date of Acquisition
60 years leasehold land expiring year 2053	Leasehold land at Lot No. 830, Block No. 7, Sejangkat Industrial Park, Kuching, Sarawak	27,930 sq m (6.9 acres)	17	Factory Building & Office Premises	16,401	22 November 2019
Freehold	Freehold land at Lot No. 16024, Jalan Nilam 4, Kawasan Perindustrian Nilai Utama, 71800 Nilai, Negeri Sembilan Darul Khusus	10,035 sq m (2.48 acres)	5	Office premises	7,978	10 December 2021
60 years leasehold expiring 2064	Leasehold land at Lot No. 1166, Block No. 8, Muara Tebas Land District, Kuching, Sarawak	40,470 sq m (10 acres)	18	Factory Building & Office Premises	33,481	24 August 2004
60 years leasehold expiring 2069	Leasehold land at Lot No. 2351, Jalan Utama, 93450 Kuching, Sarawak (Amalgamation of land at lot 1167 and land at lot 1258, Jalan Utama, 93450 Kuching, Sarawak)	44,760 sq m (11 acres)	44	Factory Building & Office Premises	30,949	12 May 1975 (Land lot 1258) 1 March 1995 (Land lot 1167) 14 January 2009 (Land lot 2351, Amalgamated Land lot 1258 and Land lot 1167)
60 years leasehold expiring 2070	Leasehold land at Lot No. 1541, Block No. 8, Muara Tebas Land District, Kuching, Sarawak	12,500 sq m (3 acres)	11	Factory Building & Inventory Storage	6,432	26 July 2010
Yet to be determined *	Shophouse at Sublot 13, Lot 4871, Block 18, Salak Land District	564 sq m (0.139 acres)	8	Commercial Building	1,233	29 April 2014
Yet to be determined *	Shophouse at Sublot 24, Lot 4871, Block 18, Salak Land District	459 sq m (0.113 acres)	8	Commercial Building	1,002	22 January 2019
60 years leasehold expiring 2084	Leasehold land at Lot No. 787, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	18,506 sq m (4.57 acres)	N/A	Industrial Land	4,494	13 March 2024

LIST OF PROPERTIES

Properties held by the Group as at 30 June 2024

(CONT'D)

Properties acquired by the Group						
Tenure	Description/ Location	Approximate Area	Age of Building (Years)	Existing Use	Net Book Value @ 30.06.2024 (RM'000)	Date of Acquisition
60 years leasehold expiring 2084	Leasehold land at Lot No. 788, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	19,820 sq m (4.9 acres)	N/A	Industrial Land	4,813	13 March 2024
60 years leasehold expiring 2084	Leasehold land at Lot No. 789, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	16,011 sq m (3.96 acres)	N/A	Industrial Land	3,888	13 March 2024
60 years leasehold expiring 2084	Leasehold land at Lot No. 790, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	16,847 sq m (4.16 acres)	N/A	Industrial Land	4,091	13 March 2024
60 years leasehold expiring 2084	Leasehold land at Lot No. 791, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	17,360 sq m (4.29 acres)	N/A	Industrial Land	4,216	13 March 2024

Remarks:

- * The Sales & Purchase Agreements were concluded in respect to the acquisition of the properties by the subsidiary of SCIB with the Vendor; and the individual land titles of the said properties are yet to be issued by the Land Office.

ANALYSIS OF SHAREHOLDINGS

As at 3 October 2024

SHARE CAPITAL

Number of Ordinary Shares	:	658,737,630
Share Capital	:	RM178,092,285
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS AS OF 3 OCTOBER 2024

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 to 99	257	1.45	4,222	0.00
100 to 1,000	2,744	15.43	1,641,165	0.25
1,001 to 10,000	7,834	44.05	41,839,571	6.35
10,001 to 100,000	5,972	33.58	207,435,915	31.49
100,001 to 32,936,881 (*)	976	5.49	407,816,757	61.91
32,936,882 AND ABOVE (**)	0	0	0	0.00
TOTAL	17,783	100.00	658,737,630	100.00

Remarks : * - Less than 5% of Issued Holdings

** - 5% and above of Issued Holdings

INFORMATION OF SUBSTANTIAL SHAREHOLDERS AS OF 3 OCTOBER 2024 (As Per SCIB's Register Books)

NAME	DIRECT HOLDINGS	%	INDIRECT HOLDINGS	%
Nil	Nil	Nil	Nil	Nil

INFORMATION ON DIRECTORS' HOLDINGS AS OF 3 OCTOBER 2024 (As Per SCIB's Register Books)

NAME	DIRECT HOLDINGS	%	INDIRECT HOLDINGS	%
YBhg. Dato' Sri Zaini Bin Jass	0	0	0	0
Mr Ku Chong Hong	1,356,000	0.21	0	0
Mr. Chiew Jong Wei	0	0	0	0
Sr. Mohd Nazri Bin Mat Noor	0	0	0	0
YBhg. Dato' Tan Bok Koon	3,229,000	0.49	0	0
Mr. Liaw Way Gian	0	0	0	0
Mr. Kang Wei Luen	0	0	0	0
Dr. Dang Nguk Ling	0	0	0	0
Mr. Yak Boon Tiong	0	0	0	0

ANALYSIS OF SHAREHOLDINGS

As at 3 October 2024

(CONT'D)

LIST OF TOP 30 HOLDERS AS OF 3 OCTOBER 2024

No	Name	Holdings	%
1.	Huang Tiong Sii	11,936,700	1.81
2.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lim Hau Yang</i>	10,105,345	1.53
3.	Tu Ching Ping	7,000,000	1.06
4.	TASEC Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For TA Investment Management Berhad</i>	6,173,500	0.94
5.	Wong Siik Wei	6,100,000	0.93
6.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Won Wei Zhang</i>	5,500,000	0.83
7.	BIMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Chee Hoon</i>	5,122,000	0.78
8.	AFFIN Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Roy Soon</i>	5,000,000	0.76
9.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Teng Chi Lik</i>	4,500,000	0.68
10.	Li Yuk Bing	4,200,000	0.64
11.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Exempt An For Barclays Capital Securities LTD</i>	3,733,400	0.57
12.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Chin Chin Seong</i>	3,500,000	0.53
13.	Yii Ming Sung	3,155,100	0.48
14.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For CIMB Investment Bank Berhad</i>	3,115,600	0.47
15.	Yeoh Guan Fook	3,100,000	0.47
16.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Chee Hoon</i>	3,018,800	0.46
17.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB For Muralitharan A/L P.Subramaniam</i>	3,000,000	0.46
18.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Hwa Sing</i>	2,875,000	0.44
19.	Ong Sow Hong	2,800,000	0.43
20.	Universal Trustee (Malaysia) Berhad <i>TA Dynamic Absolute Mandate</i>	2,663,000	0.40
21.	Tay Hock Soon	2,619,100	0.40
22.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Dato' Tan Bok Koon</i>	2,600,000	0.39
23.	Cheng Lee Kui	2,540,000	0.39
24.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Questriplex Solution Sdn. Bhd.</i>	2,525,500	0.38
25.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For UOB Kay Hian PTE LTD</i>	2,392,500	0.36
26.	Mohd Ekkrum Bin Razali	2,350,000	0.36
27.	Jacqueline Ngu Hia Kee	2,300,000	0.35
28.	Ting Sie Huoong	2,200,000	0.33
29.	CitiGroup Nominees (Asing) Sdn. Bhd. <i>UBS AG</i>	2,106,800	0.32
30.	Kong Foi Ha @ Kong Poi Har	2,068,000	0.31
	Total	120,300,345	18.26

NOTICE OF ANNUAL GENERAL MEETING



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No.: 197501003884 (25583-W)
(Incorporated in Malaysia)

NOTICE OF FORTY-EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Eighth (“48th”) Annual General Meeting (“AGM”) of Sarawak Consolidated Industries Berhad (“SCIB” or “the Company”) will be conducted on a virtual basis at the Broadcast Venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan through live streaming and online remote voting via Remote Participation and Voting (“RPV”) facilities at <https://scib-agm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn. Bhd. in Malaysia on Thursday, 19 December 2024 at 2:00 p.m. for the following purposes:

AGENDA

ORDINARY BUSINESS

- | | |
|---|---|
| (1) To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors’ and Auditors’ thereon. | Please refer to Explanatory Note (i) |
| (2) To approve the payment of the Directors’ Fees of an amount up to RM600,000.00 from 19 December 2024 until the next AGM of the Company to be held in the year 2025; | Ordinary Resolution 1 |
| (3) To approve the payment of the Directors’ Benefits of an amount up to RM100,000.00 from 19 December 2024 until the next AGM of the Company to be held in the year 2025; | Ordinary Resolution 2 |
| (4) To re-elect the following Directors retiring in accordance with Article 122(1) of the Company’s Constitution and being eligible, have offered themselves for re-election: | |
| (i) Mr. Ku Chong Hong | Ordinary Resolution 3 |
| (ii) Dr. Dang Nguk Ling | Ordinary Resolution 4 |
| (5) To re-elect the following Directors retiring in accordance with Article 127 of the Company’s Constitution and being eligible, have offered themselves for re-election: | |
| (i) YBhg. Dato’ Sri Zaini Bin Jass | Ordinary Resolution 5 |
| (ii) YBhg. Dato’ Tan Bok Koon | Ordinary Resolution 6 |
| (iii) Mr. Yak Boon Tiong | Ordinary Resolution 7 |
| (iv) Mr. Chiew Jong Wei | Ordinary Resolution 8 |
| (6) To re-appoint Messrs. Kreston John & Gan as the Auditors of the Company to hold office until the conclusion of the next AGM and to authorize the Directors to fix their remuneration. | Ordinary Resolution 9 |

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

SPECIAL BUSINESSES

To consider and, if thought fit, pass the following resolution:

(7) **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and subject always to the approval of the relevant regulatory authorities (if any), the Directors be and are hereby empowered to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution, when aggregated with the total number of such shares issued during the preceding 12 months, does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being **AND THAT** the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND FURTHER THAT** such authority shall continue in force until the conclusion of the next annual general meeting of the Company.

Ordinary Resolution 10

AND THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Article 8 of the Constitution of SCIB, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders of SCIB and empower the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Companies Act, 2016 without offering to the existing shareholders to maintain their relative voting and distribution right and such new ordinary shares shall rank pari passu in all respects with the existing ordinary shares.”

(8) To transact any other business for which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act, 2016.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)
THIEN LEE MEE (LS0010621) (SSM PC No. 201908002254)
Company Secretaries

Dated: 30 October 2024

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Notes:

i) **Item 1 of the Agenda – Audited Financial Statements**

The Audited Financial Statements are meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

ii) **Ordinary Resolutions 1 and 2– Payment of Directors’ Fees and Benefits**

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the Directors of public company or a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Directors’ benefits payable comprise of meeting attendance allowances and other claimable benefits.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

The Remuneration and Nomination Committee and the Board had reviewed and recommending the matter relating to the payment of Directors’ Fees and Benefits. The Directors had abstained from deliberations and decisions on their respective re-election at the Remuneration and Nomination Committee and Board meetings.

Payment of the Directors’ fees and benefits payable will be made by the Company on a monthly basis and/or as and when incurred if the proposed Resolutions 1 and 2 are passed at the AGM of the Company. The Board is of the view that the payments thereof are just and equitable, as the Directors standing as of the date of this notice have diligently discharged their responsibilities and rendered their services to the Company throughout the relevant period.

Hence, the Proposed Ordinary Resolutions 1 and 2 are to facilitate the payment of Directors’ Fees and Benefits to the Directors from 19 December 2024 until the next AGM of the Company to be held in the year 2025 in accordance with Section 230(1) of the Companies Act 2016.

iii) **Ordinary Resolutions 3 to 8 – Re-election of Directors**

The Remuneration and Nomination Committee had assessed the performance and contribution of each of the retiring Directors seeking re-election and was satisfied therewith. The Board had endorsed the Remuneration and Nomination Committee’s recommendation to seek shareholders’ approval for the re-election of the retiring Directors at the forthcoming 48th AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Remuneration and Nomination Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming 48th AGM are provided in the Company’s Annual Report 2024.

iv) **Ordinary Resolution 9 – Re-appointment of Auditors**

The Audit Committee and the Board had considered the re-appointment of Messrs. Kreston John & Gan as Auditors of the Company. The Audit Committee and the Board collectively agreed and are satisfied that Messrs. Kreston John & Gan meets the relevant criteria prescribed in Paragraph 15.21 of the MMLR of Bursa Securities. Accordingly, the Board is recommending to shareholders for approval the re-appointment of Messrs Kreston John & Gan for the ensuing year. Messrs Kreston John & Gan have expressed their willingness to continue in office.

v) **Ordinary Resolution 10 – Authority To Issue And Allot Shares Pursuant To Sections 75 And 76 Of The Companies Act 2016 And Waiver of Pre-Emptive Rights**

The proposed Ordinary Resolution 10, if passed, will empower the Directors to issue and allot shares up to an aggregate amount not exceeding 10% of the total number of issued shares of the Company for the time being, for such purposes as the Board of Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company (“**General Mandate**”).

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

The purpose of the General Mandate is to provide flexibility to the Company to issue new shares and/or to carry out fund raising exercises including but not limited to further placement of shares in financing current and/or future investment projects, working capital and/or acquisitions, without the need to convene a separate general meeting(s) which will incur additional time and cost to obtain its shareholders' approval.

This General Mandate is a renewal of the mandate that was approved by the shareholders at the Company's 47th Annual General Meeting ("47th AGM") held on 11 December 2023. As at the date of this notice, the Company has not issued any new shares pursuant to the mandate obtained at the 47th AGM. However, the Company had on 28 October 2024 announced to Bursa Securities its proposal to undertake a private placement of up to 10% of the total number of issued shares of SCIB (excluding treasury shares) in accordance with the previous general mandate under Sections 75 and 76 of the Companies Act, 2016 obtained at the 47th AGM or a new General Mandate to be obtained at the 48th AGM. As at the date of this notice, the Company is pending Bursa Securities' decision on the additional listing application submitted on 29 October 2024.

Notes:

- (1) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which stipulates that the Chairman of the meeting shall be present at the main venue of the AGM and in accordance with Article 82 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to speak and vote at the general meeting. Members, proxies and/or corporate representatives **WILL NOT BE ALLOWED** to be physically present nor admitted at the Broadcast Venue on the day of the 48th AGM.*
- (2) *Members are to attend, posing questions to the Board via real time submission of typed texts and vote (collectively, "participate") remotely at the 48th AGM via the RPV facilities provided by Digerati Technologies Sdn. Bhd. via its website at <https://scib-agm.digerati.com.my> ("Digerati Portal"). Please read the Administrative Guide for the 48th AGM of the Company for details on the registration process and procedures for RPV to participate remotely at the 48th AGM of the Company.*
- (3) **Appointment of Proxy**
 - (a) *A member of the Company is entitled to attend, participate, posing questions to the Board via real time submission of typed texts and vote and is entitled to appoint not more than two (2) proxies to attend, participate, pose questions to the Board via real time submission of typed texts and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
 - (b) *A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
 - (c) *Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
 - (d) *Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.*
 - (e) *A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.*
 - (f) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*
 - (g) *The appointment of a proxy may be made in a physical copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof at which the person named in the appointment proposes to vote:*
 - (i) *In physical copy form*
In the case of an appointment made in physical copy form, the original proxy form must be deposited to Aldpro Corporate Services Sdn Bhd.'s office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.
 - (ii) *By electronic form*
The proxy form can be electronically lodged via the Digerati Portal at <https://scib-agm.digerati.com.my>. Please follow the procedure for the electronic lodgement of proxy form as set out in the Administrative Guide for the 48th AGM.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

- (h) *For the purpose of determining a member who shall be entitled to attend and vote at the meeting via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as of 11 December 2024 and only a member whose name appears on the Record of Depositors on that date shall be entitled to attend the meeting via RPV or appoint proxies to attend and vote in his stead.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(i) **Details of persons who are standing for election as Directors (excluding Directors standing for re-election)**

Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Malaysia Securities Berhad, no individual is standing for election as Director of the Company at the 48th AGM of the Company.

(ii) **General Mandate for issue of securities**

The proposed General Mandate for issuing new securities under Ordinary Resolution 10 is a renewal of the previous mandate obtained at the preceding 47th AGM of the Company held on 11 December 2023. Please refer to Explanatory Note (v) of the Notice of 48th AGM for information relating to General Mandate for issue of securities.

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**SARAWAK CONSOLIDATED INDUSTRIES BERHAD**Registration No.: 197501003884 (25583-W)
(Incorporated in Malaysia)

I/We _____ [Full Name in Block Letters]

NRIC No. _____ of _____

_____ [Full Address]

being a member(s) of **SARAWAK CONSOLIDATED INDUSTRIES BERHAD**, hereby appoint

Proxy 1		
Full Name in Block Letters		Proportion of shareholdings to be presented %
NRIC No.		
Full Address		
Tel No.		
Email Address		

and/ or failing him/ her

Proxy 2		
Full Name in Block Letters		Proportion of shareholdings to be presented %
NRIC No.		
Full Address		
Tel No.		
Email Address		
		Total 100%

or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the **48th Annual General Meeting** of the Company to be conducted on a virtual basis at the Broadcast Venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities at <https://scib-agm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn. Bhd. in Malaysia on **Thursday, 19 December 2024 at 2.00 p.m.** and at any adjournment thereof.

My/our proxy is to vote as indicated below:

No.	Resolutions		FOR	AGAINST
1.	To approve the payment of the Directors' Fees of an amount up to RM600,000.00 from 19 December 2024 until the next AGM of the Company to be held in the year 2025;	Ordinary Resolution 1		
2.	To approve the payment of the Directors' Benefits of an amount up to RM100,000.00 from 19 December 2024 until the next AGM of the Company to be held in the year 2025;	Ordinary Resolution 2		
3.	To re-elect Mr. Ku Chong Hong as a Director	Ordinary Resolution 3		
4.	To re-elect Dr. Dang Nguk Ling as a Director	Ordinary Resolution 4		
5.	To re-elect YBhg. Dato' Sri Zaini Bin Jass as a Director	Ordinary Resolution 5		
6.	To re-elect YBhg. Dato' Tan Bok Koon as a Director	Ordinary Resolution 6		
7.	To re-elect Mr. Yak Boon Tiong as a Director	Ordinary Resolution 7		
8.	To re-elect Mr. Chiew Jong Wei as a Director	Ordinary Resolution 8		
9.	To re-appoint Messrs Kreston John & Gan as the Auditors of the Company to hold office until the conclusion of the next AGM and to authorize the Directors to fix their remuneration.	Ordinary Resolution 9		
10.	Authority To Issue and Allot Shares pursuant to Sections 75 And 76 Of The Companies Act 2016 And Waiver Of Pre-Emptive Rights	Ordinary Resolution 10		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

Dated this day of 2024

No. of shares held	CDS Account No.

.....
Signature of Shareholder

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Notes:

- (1) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act, which stipulates that the Chairman of the meeting shall be present at the main venue of the AGM and in accordance with Article 82 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to speak and vote at the general meeting. Members, proxies and/or corporate representatives **WILL NOT BE ALLOWED** to be physically present nor admitted at the Broadcast Venue on the day of the 48th AGM.
- (2) Members are to attend, posing questions to the Board via real time submission of typed texts and vote (collectively, "participate") remotely at the 48th AGM via the RPV facilities provided by Digerati Technologies Sdn. Bhd. via its website at <https://scib-agm.digerati.com.my> ("Digerati Portal"). Please read the Administrative Guide for the 48th AGM of the Company for details on the registration process and procedures for RPV to participate remotely at the 48th AGM of the Company
- (3) **Appointment of Proxy**
 - (a) A member of the Company is entitled to attend, participate, posing questions to the Board via real time submission of typed texts and vote and is entitled to appoint not more than two (2) proxies to attend, participate, posing questions to the Board via real time submission of typed texts) and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
 - (b) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
 - (c) Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
 - (d) Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

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- (e) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.
- (f) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- (g) The appointment of a proxy may be made in a physical copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof at which the person named in the appointment proposes to vote:
 - (i) In physical copy form
In the case of an appointment made in physical copy form, the proxy form must be deposited to Aldpro Corporate Services Sdn Bhd.'s office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan
 - (ii) By electronic form
The proxy form can be electronically lodged via the Digerati Portal at <https://scib-agm.digerati.com.my>. Please follow the procedure for the electronic lodgement of proxy form as set out in the Administrative Guide for the 48th AGM.
- (h) For the purpose of determining a member who shall be entitled to attend and vote at the meeting via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 11 December 2024 and only a member whose name appears on the Record of Depositors on that date shall be entitled to attend the meeting via RPV or appoint proxies to attend and vote in his stead.

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AFFIX
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The Share Registrar of Sarawak Consolidated Industries Berhad

Aldpro Corporate Services Sdn. Bhd.

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan



**CONTACT
INFORMATION**



CONTACT INFORMATION



CORPORATE OFFICE:

Lot 16024, Jalan Nilam 4
Kawasan Perindustrian Nilai Utama
78000 Nilai, Negeri Sembilan
Tel: +6 06 7943 755



HEADQUARTERS:

Lot 1258, Jalan Utama
Pending Industrial Estate
93450 Kuching, Sarawak
Tel: +60 82 334 485



**SARAWAK
CONSOLIDATED
INDUSTRIES BERHAD**

Registration No.: 197501003884 (25583-W)

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