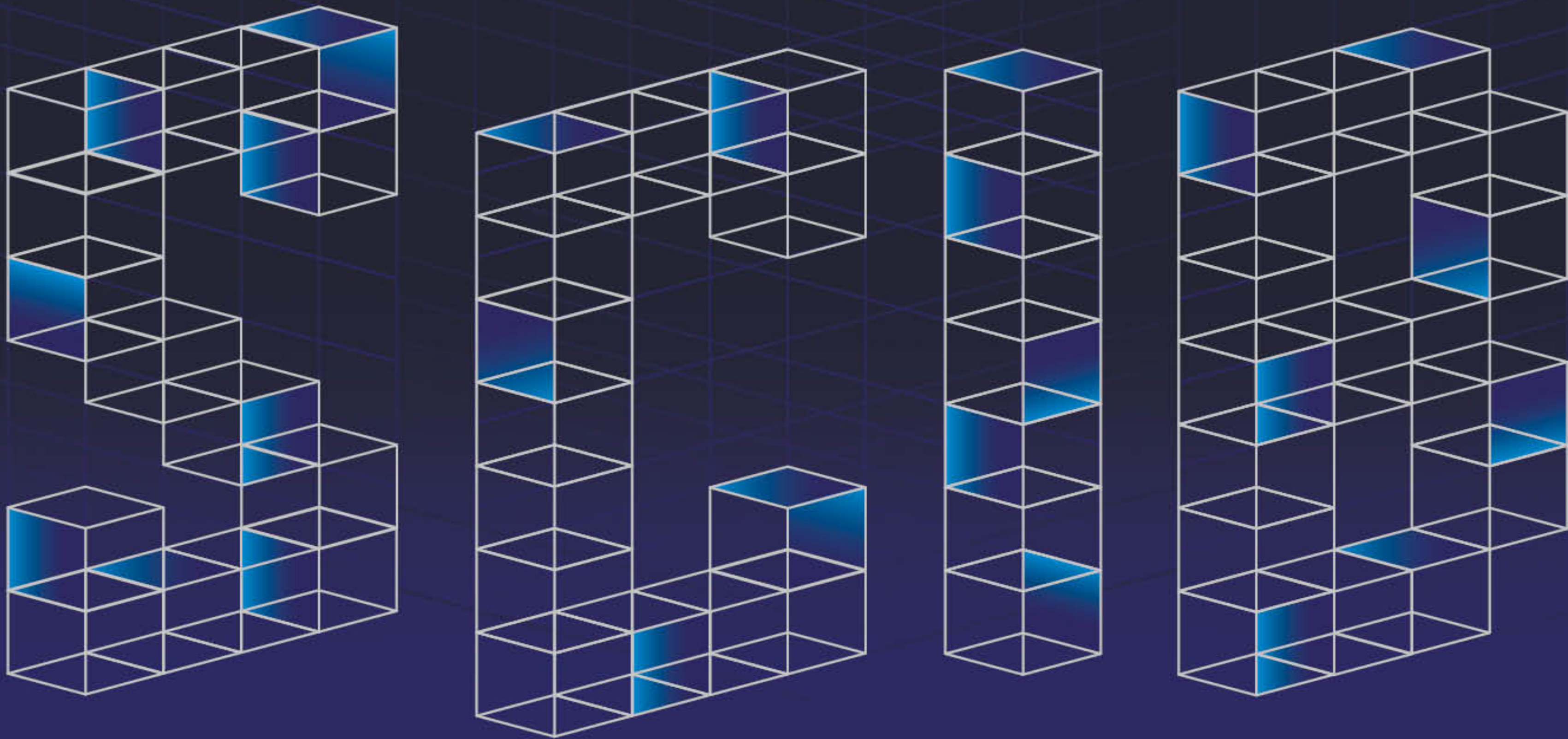
SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No.
197501003884 (25583-W)



PROGRESSING THROUGH Diversification & Synergies

ANNUAL REPORT 2021

Progressing Through Diversification & Synergies

CONTENT

1

OVERVIEW

1.1

CEO'S STATEMENT

Diversification brought us forward. Synergies expanded our reach.

The world has not changed much since I last wrote my first report as the CEO of SCIB. Positive signs of recovery have started to emerge together with the approval and implementation of vaccines throughout the globe. 2020 and 2021 were rough, which affected the Group's overall achievements but we are still optimistic about the Group's current and future prospects.

While it was previously announced that the country was supposed to move to Endemic Phase by the end of October 2021, it was reported recently that such announcement has been deferred indefinitely due to the concern on the arrival of COVID-19 Variant from Africa, the Omicron. Hence, while we are still in transition now, we have to continue to observe Standard Operating Procedures ("SOP") as issued by Malaysia's National Recovery Plan ("NRP").

As we aspire to be one of the main players in the global market, our focus on strategic growth is satisfyingly paying off. Since diversifying our portfolios to include construction whilst actively seeking new opportunities in Engineering, Manufacturing, Construction and Commissioning ("EMCC"), we have taken a step further in our company's expansion through synergies.

2021 in a Glance

The recovery of Malaysia's construction industry during the year prior to the COVID-19 impact on containment measures has enhanced SCIB's project development in expanding its market niche throughout the year 2021 all around the country as well as overseas' projects.

However, due to the prolonged pandemic and uncertainties ahead, SCIB had mutually agreed with our clients and subcontractors to terminate contracts of six projects located in Oman and Qatar after coming to terms on the full and final settlement of debts as well as the establishment of a schedule for the amount owing between the parties to the contracts.

We have agreed on the mutual termination of the contracts after acknowledging that the COVID-19 restrictions have severely curtailed the availability of manpower as well as the limited travel and affecting management of the projects.

Even though we are met with a setback, SCIB is not deterred as we have our other projects to be continued as scheduled while we are looking for opportunities in Malaysia and neighbouring countries.

There is also the added advantage of being better able to control costs and a cheaper workforce while we can leverage on our strengths as the largest precast concrete and IBS manufacturer in East Malaysia.

Being the leading precast concrete and Industrialised Building System ("IBS") manufacturer in East Malaysia, SCIB has been and will continue to support the state-initiated people-centric construction projects with our three integrated manufacturing factories and wharf facility for shipment across Borneo to supply 500,000 tonnes of building materials annually.

SCIB has also been strengthening our capabilities and capacities through the establishment of an internal construction execution team for smoother project control, expansion of building materials manufacturing facilities to support Peninsular Malaysia projects.

Despite some minor challenges occurred throughout the year, SCIB managed to prove its independence and ability to maneuver through the economy by soaring higher in accepting a 5-years-worth concession of roadworks maintenance contract located in Terengganu. Revolutionarily, in enhancing its efficiency of providing top-notch services for its clients, SCIB is also looking to implement 3D printing technology into the Malaysian

Since diversifying our portfolios to include construction and property development whilst actively seeking new opportunities in EMCC, we have taken a step further in our company's expansion through synergies.

construction industry, as we are currently installing and commissioning our first 3D printing system, which is targeted to be completed by early 2022. SCIB also expands its technological innovation in investing in an artificial intelligence device made for potholes detection that primarily focuses to escalate the effectiveness of roadworks maintenance projects.

2021 Financial Results

The Group has shown an increase of 131.4% in revenue at RM199.0 million for Financial Year ("FY") 2021 as compared to the RM86.0 million of revenue recorded for FY 2019, which the manufacturing division remains as the largest contributor to the Group's revenue.

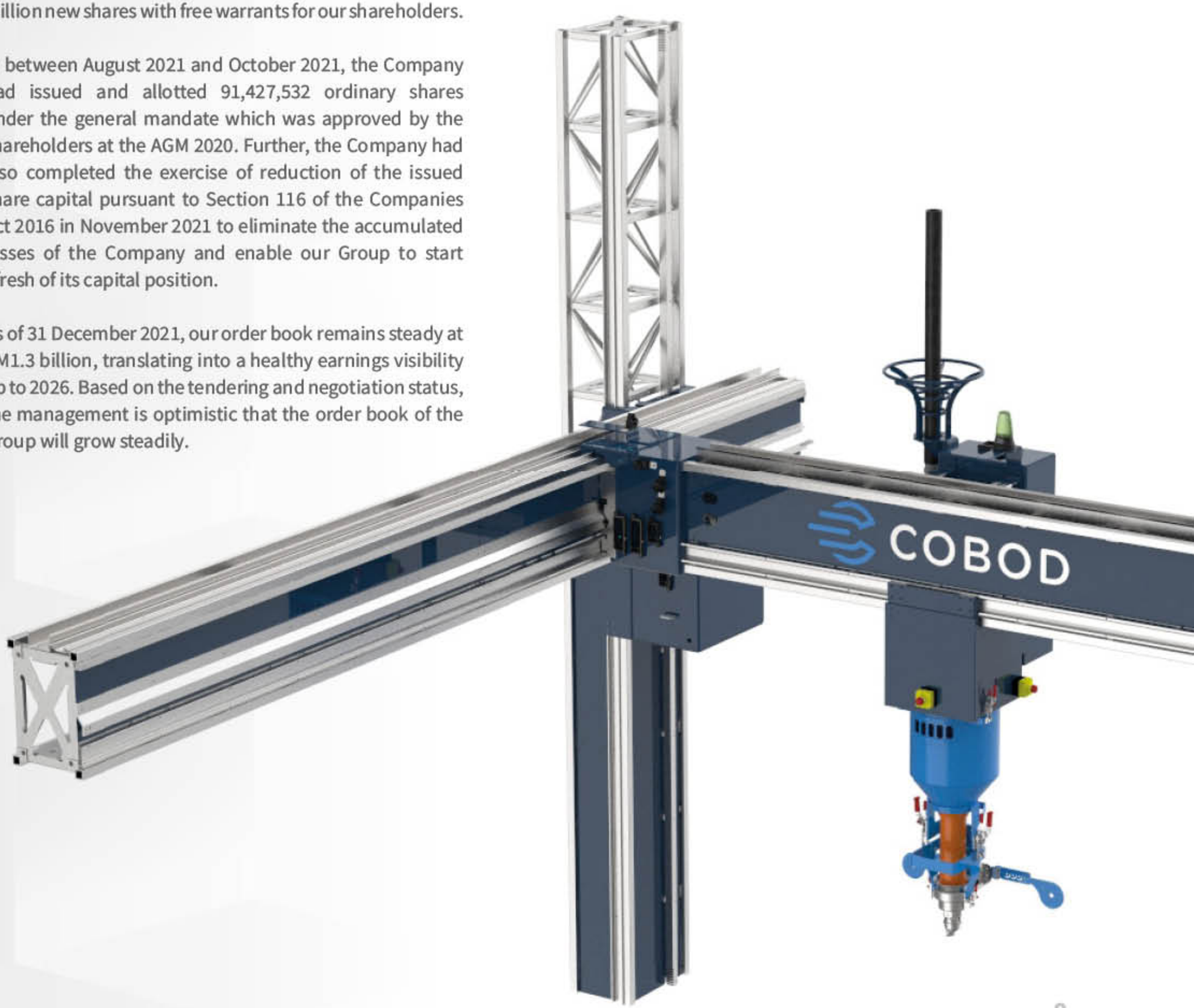
During the financial period under review, the Group's Gross Profit ("GP") has shown an increase of 401.7% at RM86.8 million, as compared to RM17.3 million recorded for FY 2019, mainly due to the turnaround of construction division that contributed RM65.7 million during FY 2021, as compared to RM1.3 million in FY 2019. Subsequently, the Group's other income for FY 2021 stood at RM25.1 million, mainly attributed by the net proceeds arising from the termination of Share Sale Agreement of RM22.8 million.

The Group's profit before tax ("PBT") grew 78.1% from RM3.2 million in FY 2019 to RM5.7 million in FY 2021. The PBT is derived after the impairment losses on trade receivables and other receivables of RM63.5 million and RM3.6 million respectively. The impairment on trade receivables is mainly due to the long outstanding debts from overseas projects, and the projects' net outstanding balance were fully impaired in compliance with MRFS 9.

In June 2020, SCIB had placed out 36.75 million new shares, or 42.80% of its existing issued share capital, at an issue price of RM1.82. By the end of 2020, we have completed a three-for-one bonus issue of up to 367.9 million new shares with free warrants for our shareholders.

In between August 2021 and October 2021, the Company had issued and allotted 91,427,532 ordinary shares under the general mandate which was approved by the shareholders at the AGM 2020. Further, the Company had also completed the exercise of reduction of the issued share capital pursuant to Section 116 of the Companies Act 2016 in November 2021 to eliminate the accumulated losses of the Company and enable our Group to start afresh of its capital position.

As of 31 December 2021, our order book remains steady at RM1.3 billion, translating into a healthy earnings visibility up to 2026. Based on the tendering and negotiation status, the management is optimistic that the order book of the Group will grow steadily.

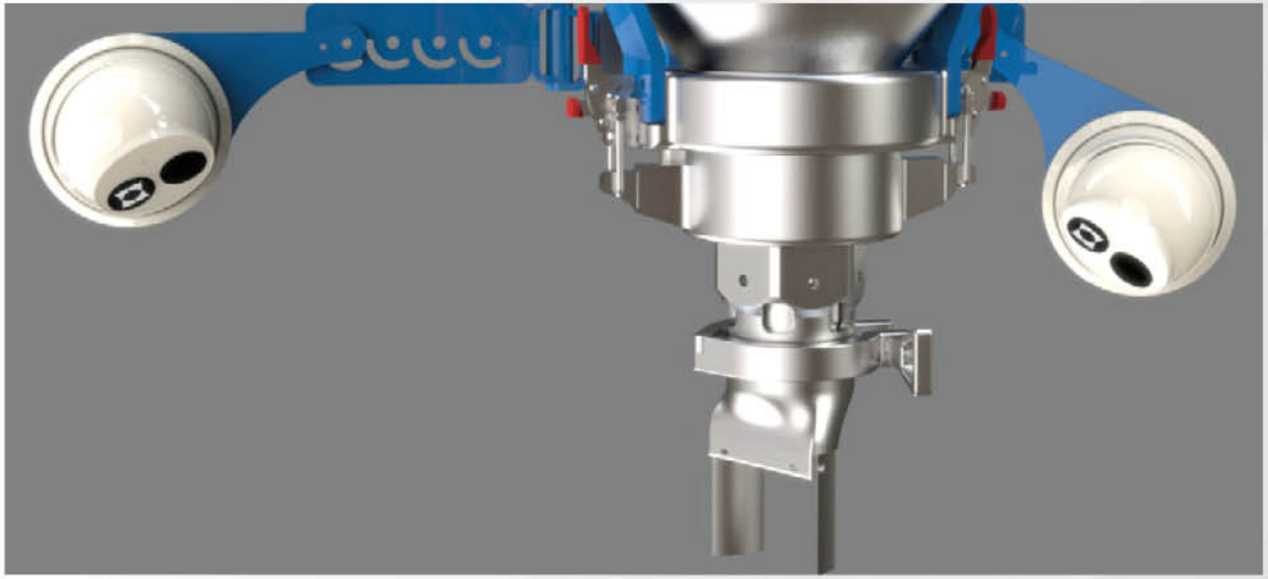


Growth and Perseverance

As we are focusing on the growth and perseverance for the year 2021, the company soars for a strong business approach in maneuvering the challenges of deliberate economy growth caused by the COVID-19 pandemic global breakdown throughout the year.

This year, SCIB focuses on maintaining good relationships with various networks in the industry that foresees to strengthen the company's position as well as maintain positive associations with several bodies such as Kementerian Kerja Raya Malaysia ("KKR"), Perbadanan Perumahan Rakyat 1 Malaysia ("PR1MA"), Kementerian Perumahan dan Kerajaan Tempatan ("KPKT") as well as Construction Industry Development Board ("CIDB"). We believe preserving well connections with associated bodies including Malaysian National News Agency or commonly known as BERNAMA will not only enhance a positive image of the company but will also portray good reputation and promising efficiency and effectiveness of our services to potential and existing clients and stakeholders.

On top of that, SCIB also strategize to widen its collaboration webs with developers and other related companies in the market that will jointly promote towards the growth of both parties' interests and businesses. By numbers of collaborations across developers such as AUEI Teras Holdings Sdn Bhd, Kencana Healthcare Sdn Bhd, and Awana JV Suria Saga Sdn Bhd, we expect to leverage on the expertise provided by these related bodies as well as to expand our networking via joint partnership and associations. These collaborations will not only contribute to the company financially in general, but will also strengthen our know-how and specialty in a going concern period of time.



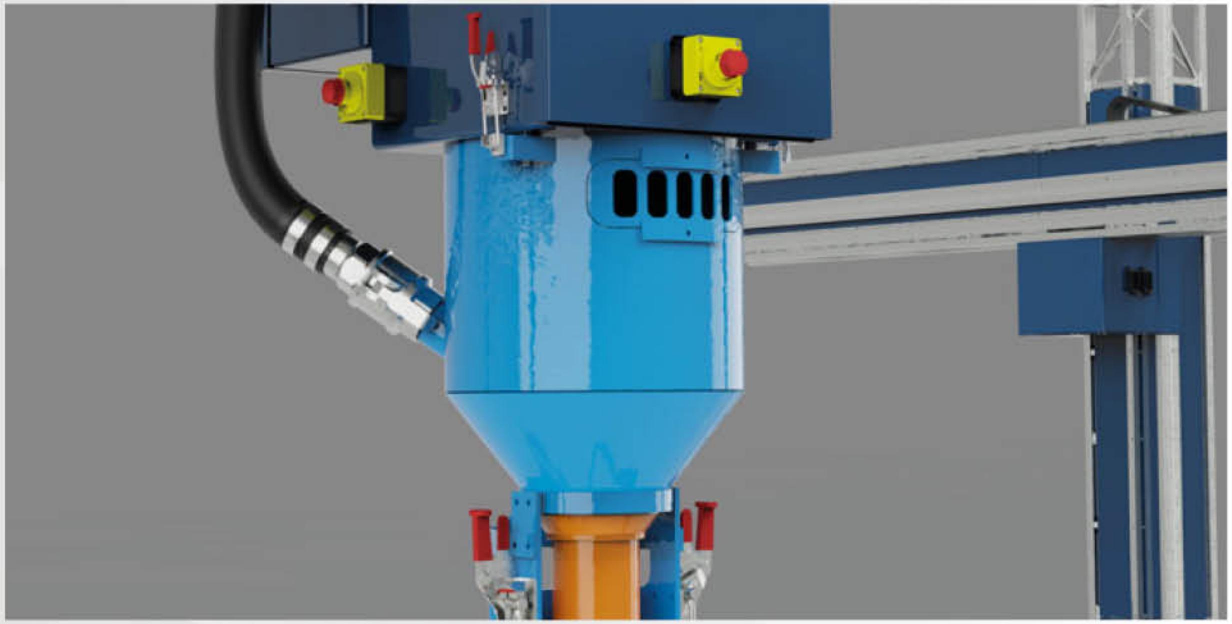
Currently, our target market for business growth is focusing on the concessions of roadworks maintenance projects across Malaysia, housing development projects including PR1MA and Perumahan Penjawat Awam Malaysia ("PPAM") contracts. We are also eyeing for water treatment plant project that shall elevate our market strategies to higher market horizon than our current position.

However, SCIB is not restricting ourselves to win contracts on specific areas or projects. Our focus is more towards the paymaster and the ability of project owners to honour the payment milestones, for example securing projects related to the Malaysian Government, such as the Malaysian Public Works Department's ("JKR") Roadworks Maintenance, as they are without a doubt a reliable paymaster. While for private projects, we will conduct a thorough analysis on the project owners, such as credit assessment/ due diligence on them, so that we can trust them to honour the payment milestones for the duration of the projects.

Another SCIB's upcoming project will be the construction of an IBS sample house with the 3D printing technology, as we collaborate with Construction Industry Development Board (CIDB) to explore further on its application in the domestic landscape.

Clear Commitment To Sustainability

Sustainability was ingrained in the DNA of SCIB as we are first and foremost, a precast concrete manufacturing company. We manufacture products that mirror sustainability albeit in a smaller context - durable precast concrete that can sustain its usage and provide other useful benefits.



This is what we have been all these years, doing business and providing services that plays a significant role in a society's development and help improve the quality of living in a broader perspective of community.

With our commitment in achieving sustainable development, we have undertaken initiatives in order for us to reach our goals. Our Sustainable Development Goals ("SDG") set mirrors our dedication in conducting a safe, healthy and environmentally friendly business for our workforce and workplace, at home or abroad, including the sites we are working on but with extra emphasis on the environment.

As part of our Corporate Governance responsibility, accountability and traceability, we have put into action, strategically designed initiatives to ensure SCIB's business operations all over the globe complies to ethical values and can bring benefit to the society, especially communities that are within the vicinity of our operations. These initiatives are seen as our responsibility to portray the company as an organization that operates in a way that recognizes the central role that businesses pave its way in improving the quality of life for a community.

The highlight for 2020 and 2021 would be mitigating the threat of the COVID-19 virus. SCIB has responded well in effort to combat the spread of the virus by complying with the various directives and standard operating procedure ("SOP") announced by the National Security Council ("NSC"), Ministry of Health ("MOH"), Ministry of International Trade and Industry ("MITI") and Sarawak Disaster Management Committee ("SDMC").

1.1.5 CEO'S STATEMENT

From implementing work-from-home initiative, body temperature screening at our facilities and social distancing measures during meetings, SCIB takes great responsibility in ensuring our organization is part of the battle to halt the spread of this deadly virus.

Our Business Direction

As many forecasted for the global economy to suffer another slow-growth period throughout 2021 following the 2020 economic activities to be at halt due to COVID-19 pandemic, mid-2021 has however brought us a ray of hope in the global recovery despite significant uncertainties in several countries that were badly affected by the pandemic.

As a business opportunist, we at SCIB foresees a hefty fortune from this economic recovery in the wake of COVID-19 pandemic.

As for 2022, we are planning to secure several projects in West Malaysia and neighbouring countries.

A positive market outlook also is reflected in Malaysia's economy as the local construction market is expected to grow throughout the forecasted period of 2019-2024. Taking advantage over the bullish growth of Malaysian construction market, we have taken the initiative to venture into the latest technology and innovation that opens many possibilities in the construction world as we cater the rapid growth of the economic recovery by the end of the year 2021.

Our acquisition for innovation of technology includes an investment on the first ever 3D printer in Sabah & Sarawak that is targeted to escalate the competence of construction process with lesser cost and time consumption. On top of that, SCIB has also acquired an innovative artificial intelligence device of AI Pothole Detection System ("AIPODS") that promotes a smooth-sailing process of detecting road damages alongside our concession areas for roadworks maintenance projects.

Our company's corporate exercise for the year 2021 involves both conventional and non-conventionally including fund raising, increase of debt financing, corporate alliance, investors relations and business acquisitions to enlarge the company's market capabilities and sustainability. These strategies are mainly to increase the fund availability for future projects and to protect our company's share price as well as enlarging the market liquidity.

In the meantime, in regards to the corporate exercise, SCIB has also linked the corporate strategies to the expansion of human capital capabilities within the company as a solution in strengthening our expertise and capabilities in providing the best service to our existing and potential clients. We believe enhancing employees' knowledge is one of the company's intangible assets that is as much important as other growth and sustainability.

Not forgetting our responsibilities in giving out to the community, we envision many charitable activities supporting the community as well as sustainability of the environment. For the year 2021, we have conducted our first corporate social responsibility approach in Peninsular Malaysia by providing a helping hand to the 'asnaf' families in numbers of villages located in Pulau Redang. This charity motion held by our CSR team was a collaboration with Majlis Agama Islam dan Adat Melayu Terengganu ("MAIDAM") as an opening for many more social contributions and sustainability programs to be organized under the company and its subsidiaries.

All in all, we believe that we are ready to grab any business opportunities that shall re-emerge prior to the economic recovery this year. On top of that, we will also strive to look for possibilities and prospects in expanding our business further than into the market.

Rosland Bin Othman
GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER OF SARAWAK CONSOLIDATED INDUSTRIES BERHAD

1.2

CORPORATE BACKGROUND

Sarawak Consolidated Industries Berhad

Sarawak Consolidated Industries Berhad ("SCIB") is a wholly owned Bumiputera company. Founded in 1975, SCIB has evolved from a small enterprise into a reputable Group of companies listed on the Main Market of Bursa Malaysia Securities Berhad.

SCIB offers its clients in-depth expertise through a combination of technology, efficiency and speed.

SCIB is well known for its professional management and has a long history of innovative ideas and technological advances. Coupled with its wealth of experience and research acquired in more than three decades, SCIB offers its clients in-depth expertise through a combination of technology, efficiency and speed.

Currently, SCIB is operating three factories in Kuching, Sarawak, one factory in the Pending Industrial Estate and two factories in the Demak Laut industrial Park. Manufacturing concrete products for use in the construction and infrastructure sectors in the domestic and global market. SCIB had a subsidiary company in West Malaysia with IBS facilities.

OUR BUSINESS MODEL

Products

- Conventional Product
- Industrialised Building System
- Roofing Product

Services

- Engineering
- Construction
- Commissioning

Customers

- Infrastructure Project Developer/Owner
- Industrial, Commercial, Residential, Properties Developer/Owner

1.2.2 CORPORATE BACKGROUND

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 based on sound management principles for growth and increasing values for our shareholders and creating career opportunities and financial rewards for our employees;

PRODUCT 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 achieving 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.

Quality

Reliability

Innovation & Creativity

Integrity

Transparency

Effectiveness & Efficiency

SCIB GROWTH STORY

- **1970** — Concrete products manufacturing
- **1994** — Listing on Main Market
- **2003** — Concrete roof tiles manufacturing
- **2005** — IBS precast components manufacturing
- **2014** — Expansion of spun piles production line
- **2016** — Expansion of conventional product production line
- **2017** — Further expansion of spun piles production line
- **2019** — New management and shareholder joins the board

1.3

CORPORATE INFORMATION

DIRECTORS

YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah
(Non-Independent Non-Executive Chairman)

YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak
(Independent Non-Executive Director)

YBhg. Datu Haji Soedirman Bin Haji Aini
(Independent Non-Executive Director)

Encik Shamsul Anuar Bin Ahamad Ibrahim
(Independent Non-Executive Director)

Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir
(Non-Independent Non-Executive Director)

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

Encik Rosland Bin Othman
(Group Managing Director / Chief Executive Officer / Executive Director)

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

Encik Rosland Bin Othman

COMPANY SECRETARY

Lau Yen Hoon (MAICSA 7061368)
(SSM Practicing Certificate No. 202008002143)
Resignation Date: 11.01.2022

Tan Siew Hong (MAICSA 7066226)
(SSM Practicing Certificate No. 201908001915)
Resignation Date: 11.01.2022

Ng Lai Yee (MAICSA 7031768)
(SSM Practicing Certificate No. 202008000977)
Appointment Date: 11.01.2022

REGISTERED OFFICE

Lot 1258, Jalan Utama, Pending Industrial Estate
93450 Kuching, Sarawak

Tel: +60(82) 334485 Fax: +60(82) 334484

AUDITORS

NEXIA SSY PLT
(LLP0019490-LCA & AF 002009)

Chartered Accountants
UOA Business Park Tower 3,
5th Floor, K03-05-08,
1 Jalan Pengaturcara, U1/51A, Section U1
40150 Shah Alam, Selangor Darul Ehsan

Tel: +60(3) 5039 1811 | Fax: +60(3) 5039 1822

INVESTOR RELATION

Email: scib.ir@scib.com.my
Tel: +60(82) 334485 Fax: +60(82) 334484

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad

Stock Name: SCIB
Stock Code: 9237

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony, No.5,
Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan
Resignation Date: 11.01.2022

Symphony Corporate Services Sdn. Bhd.
Unit 7-21, Wisma Conlay, Jalan USJ 10/1, 47620 Subang Jaya, Selangor Darul Ehsan
Appointment Date: 11.01.2022

Tel: +60(3) 86055304 Fax: +60(3) 86055303

PRINCIPAL BANKERS

Malayan Banking Berhad
Affin Islamic Bank Berhad
AmBank (M) Berhad
AmIslamic Bank Berhad
RHB Bank Berhad

WEBSITE
www.scib.com.my

CORPORATE STRUCTURE

Core Businesses and Leading Entities

SARAWAK CONSOLIDATED INDUSTRIES BERHAD
An all-round building specialise adept in Engineering, Manufacturing, Construction & Commissioning
197501003884 (25583-W)

100%
INVESTMENT HOLDING
SCIB HOLDINGS SDN. BHD.
200101019124 (554881-P)

- 100% MANUFACTURING
  SCIB CONCRETE MANUFACTURING SDN. BHD.
  200101019131 (554888-U)
  - 100% CONSTRUCTION
    SCIB INTERNATIONAL (LABUAN) LTD
    LL16482
- 100% PROPERTY DEVELOPMENT
  SCIB PROPERTIES SDN. BHD.
  200101019135 (554892-V)
  - 30% CONSTRUCTION
    EDARAN KENCANA SDN. BHD.
    201801042190 (1304222-K)
- 100% INFRASTRUCTURE DEVELOPMENT
  SCIB INFRAWORKS SDN. BHD.
  200101019133 (554890-K)

100%
MANUFACTURING
SCIB BUILDING SOLUTIONS SDN. BHD.
(formerly known as Kencana Precast Concrete Sdn. Bhd.)
201001020273 (904040-D)

100%
CONSTRUCTION
SCIB INDUSTRIALISED BUILDING SYSTEM SDN. BHD.
200101019137 (554894-A)

- 70% LIGHT WEIGHT SYSTEM
  SCIB LW SYSTEM SDN. BHD.
  202101006960 (1407259-M)
- 70% CONSTRUCTION
  SCIB INDUSTRIALISED BUILDING SYSTEM DAN SASOAKAI RESOURCES JV SDN BHD
  (formerly known as SCIB Sasoakai Venture Sdn. Bhd.)
  202101016046 (1416346-A)

YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak
Independent Non-Executive Director

Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir
Non-Independent Non-Executive Director

Encik Rosland Bin Othman
Group Managing Director/ Chief Executive Officer/ Executive Director

YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah
Non-Independent Non-Executive Chairman

YBhg. Datu Haji Soedirman Bin Haji Aini
Independent Non-Executive Director

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

Encik Shamsul Anuar Bin Ahamad Ibrahim
Independent Non-Executive Director

1.5

BOARD OF DIRECTORS

1.5.1 DIRECTOR'S PROFILE

YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN
Malaysian / Age 56 / Male

Date of Appointment as Director: 1 August 2019
Date of Redesignation as Non-Independent Non-Executive Chairman: 1 October 2019

Board Meeting Attendance from January 2020 to June 2021: 8/8
Board Committees Membership:
- Remuneration & Nomination Committee (Chairman)
- Investment Committee (Chairman)

Directorship in Other Public Companies and Listed Issuers:
- Serba Dinamik Holdings Berhad
- Green & Smart Holdings PLC (Listed on AIM)
- BiON PLC (listed on AIM)
- CSE Global Limited (Listed on SGX)

ACADEMIC/PROFESSIONAL QUALIFICATIONS

Dato' Karim holds a Bachelor's Degree in Mechanical Engineering from Universiti Teknologi Malaysia. He obtained an Honorary PhD in Industrial Engineering from InterAmerican University, the USA in 2009 and a PhD in Entrepreneurship from Golden State University, the USA in 2012. He is a member of the Institution of Engineers Malaysia since 1994, a registered member of the Board of Engineers Malaysia since 1996 and a member of the Asean Federation of Engineering Organisation since 2002. Since January 2020, He holds the Title of Professional Technologist ("Ts") from Malaysia Board of Technologists ("MBOT").

WORKING EXPERIENCE AND OCCUPATION

Dato' Karim's illustrious engineering career spanning 31 years started with Asean Bintulu Fertilizer Sdn. Bhd. (1988) as a Mechanical Engineer. Later he was appointed as the Coordinator for the Ammonia and Rotary 5th turnaround Preparation Team (1990) and as a Rotating Equipment Area Engineer (1991). In 1993, he formed Serba Dinamik and assumed the position as the Group Chief Executive Officer.

He gained vast experience in the maintenance and installation of rotating equipment since 1993 that includes major overhaul/inspection of 37MW MHI steam turbines in Module 1, 2 & 3 of Malaysia LNG Sdn. Bhd. and overall supervisory of plant shutdown maintenance on various rotating equipment.

His tenure as a site project manager with Malaysia LNG Sdn. Bhd. exposed him to construction and fabrication under the supply and construction of new civil workshop, extension of main warehouse and mechanical workshop in, installation of Jet A-1 Bunkering Line in Shell Timur Sdn. Bhd., installation of flush tank at Bintulu Depot and various other projects with the company.

He has conducted numerous training sessions, internally and externally, primarily in power and oil & gas sectors. Focus areas of training include vibration, machinery alignment and balancing course, condition monitoring programme for rotating equipment, integrated machinery maintenance, preventive and predictive maintenance, inspection and maintenance of pumps, and inspection and maintenance of steam turbines. He also conducted talks on the latest technologies related to Industry 4.0, Asset Integrity Management and technologies related to Industry 4.0, Asset Integrity Management and Innovative Blockchain. Currently, Dato' Karim holds directorship in Serba Dinamik Holdings Bhd, Green & Smart Holdings PLC, BiON PLC and CSE Global Limited.

His holdings in the Company is outlined on the page 101 and 230 of this report.

1.5.2 DIRECTOR'S PROFILE

YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak

INDEPENDENT NON-EXECUTIVE DIRECTOR
Malaysian / Age 69 / Male

Date of Appointment as Independent Non-Executive Director: 1 September 2015

Board Meeting Attendance from January 2020 to June 2021: 8/8
Board Committees Membership:
- Audit Committee
- Risk Management Committee
- Remuneration & Nomination Committee

Directorship in Other Public Companies and Listed Issuers:
Harbour-Link Group Bhd

ACADEMIC/PROFESSIONAL QUALIFICATIONS

Datu Ir. Haji Mohidden graduated with Bachelor of Engineering (Civil) from University of Auckland, New Zealand and he is a member of Institute of Engineers Malaysia and registered with the Board of Engineers, Malaysia. He was on the Board of University Putra Malaysia from year 2015 to 2018. Currently, he sits on the Board of Bintulu Muslim Charitable Board, The Chairman of the Committee Assyakirin Bintulu Divisional Mosque and The Chairman of the Malaysian Red Crescent Bintulu Chapter. He was on the Board of Lembaga Amanah Anak Yatim Sarawak for few years until middle of the years.

WORKING EXPERIENCE AND OCCUPATION

Datu Ir. Haji Mohidden was the General Manager of Bintulu Development Authority ("BDA") from year July 2003 to April 2015. He has many years of experience on the Board of various companies namely Bintulu Port Authority, BDA Properties Sdn. Bhd., Laku Management Sdn. Bhd., Kemena Industries Sdn. Bhd. and Samalaju Properties Sdn. Bhd. He is currently the Chairman of Hyperwave Systems Engineering Sdn. Bhd., Standard Engineer Sdn. Bhd. and Planet Genesis Sdn. Bhd.

His holdings in the Company is outlined on the page 101 and 230 of this report.

1.5.3 DIRECTOR'S PROFILE

YBhg. Datu Haji Soedirman Bin Haji Aini

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian / Age 65 / Male

Date of Appointment as Non-Independent Non-Executive Director: 1 January 2013
Date of Redesignation as Independent Non-Executive Director: 19 May 2016

Board Meeting Attendance from January 2020 to June 2021: 8/8
Board Committees Membership:

- Audit Committee
- Risk Management Committee (Chairman)
- Investment Committee

Directorship in Other Public Companies and Listed Issuers:

- Sarawak Plantation Berhad
- Amanah Saham Sarawak Berhad
- Damai Golf & Country Club Berhad
- Permodalan Nasional Berhad
- Sara Worldwide Vacation Berhad

ACADEMIC/PROFESSIONAL QUALIFICATIONS

He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom ("FCCA") and a member of Malaysian Institute of Accountants. He has attended the Macro Economic Policy and Management Program at Harvard University.

WORKING EXPERIENCE AND OCCUPATION

He started his career with Petronas in 1982 where he had served in the Economic and Investment Evaluation Department, Corporate Planning Division and in its subsidiary company, ASEAN Bintulu Fertilizer Sdn. Bhd. After serving 13 years with Petronas, he resigned in 1995 to join the Sarawak State Government.

Prior to his retirement with the State Government in December 2018, he held the position of the General Manager of Sarawak Economic Development Corporation ("SEDC"). His previous employment in the Sarawak Civil Service includes being the Permanent Secretary of Ministry of Social Development, Director of State Implementation Monitoring Unit, Permanent Secretary of the Ministry of Industrial Development, Deputy State Financial Secretary and State Accountant - General. Between November 2002 and September 2003, he was seconded to Amanah Saham Sarawak Berhad as its Chief Executive Officer. During his tenure with the Sarawak Government, he served on the Boards of Malaysia LNG Tiga Sdn. Bhd. and Malaysia Investment Development Authority ("MIDA").

Datu Haji Soedirman is currently a director of Permodalan Nasional Berhad and an Independent Director of Sarawak Plantation Berhad. He also sits on the Board of various Government-Linked Companies and Non-Governmental Organisations.

His holdings in the Company is outlined on the page 101 and 230 of this report.

1.5.4 DIRECTOR'S PROFILE

Encik Shamsul Anuar Bin Ahamad Ibrahim

INDEPENDENT NON-EXECUTIVE DIRECTOR
Malaysian / Age 59 / Male

Date of Appointment as Independent Non-Executive Director: 1 September 2015

Board Meeting Attendance from January 2020 to June 2021: 8/8
Board Committees Membership:
- Audit Committee (Chairman)
- Risk Management Committee
- Remuneration & Nomination Committee

Directorship in Other Public Companies and Listed Issuers:
NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

He is a Fellow of the Association of Chartered Certified Accountants, United Kingdom and a member of Malaysian Institute of Accountants.

WORKING EXPERIENCE AND OCCUPATION

Encik Shamsul Anuar joined ASSAR Group of Companies in 1993 as the Finance & Administration Manager of Amanah Saham Sarawak Bhd ("ASSB"). Since then, he has been assigned to various positions in the group and was made the Chief Executive Officer of ASSB in 2003. In 2007, he was promoted to his current position i.e. the Group Corporate Affairs General Manager of Permodalan ASSAR Sdn. Bhd. (the holding company of ASSB).

Apart from being a corporate nominees for PASB, he also sits on the Board of Transnational Insurance Brokers Sdn. Bhd.

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

1.5.5 DIRECTOR'S PROFILE

Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian / Age 61 / Male

Date of Appointment as Non-Independent Non-Executive Director: 1 April 2019

Board Meeting Attendance from January 2020 to June 2021: 8/8

Board Committees Membership:

- Risk Management Committee (Appointed on 25 February 2021)

Directorship in Other Public Companies and Listed Issuers:

NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

He graduated with a Bachelor of Science with Honours from the Universiti Sains Malaysia.

WORKING EXPERIENCE AND OCCUPATION

Tuan Haji Abdul Hadi has gained many years of experience in marketing, production, manufacturing operation and Senior Level Management roles throughout his career since 1998.

He joined Harwood Timber Sdn. Bhd., the wholly owned subsidiary of Sarawak Timber Industry Development Corporation as a Planning Manager in 1996 and since then he has been assigned to various positions. He was the General Manager of Harwood Timber from year 2008 to 2018. On 1 January 2019, he was appointed to his current position as the General Manager of Sarawak Economic Development Corporation ("SEDC").

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

1.5.6 DIRECTOR'S PROFILE

Encik Sr. Mohd Nazri Bin Mat Noor

INDEPENDENT NON-EXECUTIVE DIRECTOR
Malaysian / Age 58 / Male

Date of Appointment as Independent Non-Executive Director: 31 January 2020

Board Meeting Attendance from January 2020 to June 2021: 8/8
Board Committees Membership:
- Investment Committee (Appointed on 25 February 2021)

Directorship in Other Public Companies and Listed Issuers:
NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

He 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.

He has over 30 years of related professional experience covering Australia, Malaysia, Asean and the Middle East Regions. Starting with a 5-year 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 being contract and procurement management, project and development management, as well as exposures in the Oil and Gas industry during his 3-year stint with Sarawak Shell Berhad's MLNG-DUA Gas Development Project in Miri/Bintulu.

He was previously served as a 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.

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

1.5.7 DIRECTOR'S PROFILE

Encik Rosland Bin Othman

GROUP MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER/ EXECUTIVE DIRECTOR
Malaysian / Age 48 / Male

Date of Appointment as Chief Executive Officer:
10 September 2019
Date of Appointment as Managing Director:
1 October 2019

Board Meeting Attendance from January 2020 to June 2021: 8/8
Board Committees Membership:
- Investment Committee (Managing Director)

Directorship in Other Public Companies and Listed Issuers:
NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

Encik Rosland graduated with a degree in Finance and Economics from New York University, Stern Business School, United States.

WORKING EXPERIENCE AND OCCUPATION

Encik Rosland was a Senior Vice President of Serba Dinamik Holdings Berhad from June 2016 to September 2019. Prior to that, he has been extensively involved in investment banking as well as oil and gas industries, covering positions such as the Head of Corporate and Investment Banking in PT Bank Muamalat Indonesia (Kuala Lumpur), Vice President, Investment Banking Division of Ibdar Bank B.S.C (c), Malaysia, Vice President, Investment Banking Division Elaf Bank B.S.C (c), Bahrain and Acting Head, Investment Banking Department of Bank Muamalat (M) Berhad.

Currently he sits on the Board of Directors in various companies namely Konsortium KAJV Sdn. Bhd., Malaysia, OHP Ventures Incorporated, Labuan, Malaysia, Sufini Holdings Ltd, Abu Dhabi, UAE and Geppert GmbH, Austria.

His holdings in the Company is outlined on the page 101 and 230 of this report.

Notes:
1. ***Family Relationship with Director and/or Major Shareholder***
   Save as disclosed above, 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 period under review.
4. ***Directorships***
   Saved as disclosed above, none of the Directors has other directorship in public companies and listed issuers.
5. ***Details of the Board members' participation in the various Board***
   Committees are set out in 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 market and economic developments as well as with the new statutory and regulatory requirements.

Directors' Training In Financial Period From January 2020 To June 2021

NO	DIRECTORS	CONFERENCES, SEMINARS AND TRAINING PROGRAMMES ATTENDED IN THE FINANCIAL PERIOD FROM JANUARY 2020 TO JUNE 2021
1	YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	1. Awareness of Introduction of Section 17A 2. Optimising Risk and Resilience Planning to Manage Disruptions
2	YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	1. Awareness of Introduction of Section 17A 2. Optimising Risk and Resilience Planning to Manage Disruptions 3. Lighting Protection System in Compliance to the Suruhanjaya Tenaga's Circular Order/ST/No.4/2019
3	YBhg. Datu Haji Soedirman Bin Haji Aini	1. Awareness of Introduction of Section 17A 2. Optimising Risk and Resilience Planning to Manage Disruptions 3. Navigating a Sustainable Future with Agility and Resilience 4. Managing your fraud risk: Are you doing enough? 5. 934 - Anti Money Laundering, Anti-Terrorism Financing & Corporate Liability under the MACC Act 6. Navigating a Sustainable Future with Agility and Resilience
4	Encik Shamsul Anuar Bin Ahamad Ibrahim	1. Awareness of Introduction of Section 17A 2. Corporate Liability Under MACC Act 2009 3. Optimising Risk and Resilience Planning to Manage Disruptions 4. Deloitte Taxmax, The 46th Series Webinar 5. AMLA, Anti-Terrorism Financing & Corporate Liability Under The MACC Act
5	Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir	1. Awareness of Introduction of Section 17A 2. Optimising Risk and Resilience Planning to Manage Disruptions
6	Encik Sr. Mohd Nazri Bin Mat Noor	1. Awareness of Introduction of Section 17A 2. Mandatory Accreditation Programme for Directors of Public Listed Companies 3. Optimising Risk and Resilience Planning to Manage Disruptions
7	Encik Rosland Bin Othman	1. Awareness of Introduction of Section 17A 2. Mandatory Accreditation Programme for Directors of Public Listed Companies 3. Optimising Risk and Resilience Planning to Manage Disruptions

Details Of Attendance Of Directors At Board Meetings

During the financial period from January 2020 to June 2021, six (6) Board Meetings were held on 27 February 2020, 17 June 2020, 27 August 2020, 26 November 2020, 25 February 2021, 28 June 2021 and two (2) Special Board Meeting was held on 27 April 2020 and 24 May 2021. The attendance of the Directors at the Board Meetings is as follows:

NO	DIRECTORS	BOARD MEETING	SPECIAL BOARD MEETING
1	YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	6/6	2/2
2	YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	6/6	2/2
3	YBhg. Datu Haji Soedirman Bin Haji Aini	6/6	2/2
4	Encik Shamsul Anuar Bin Ahamad Ibrahim	6/6	2/2
5	Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir	6/6	2/2
6	Encik Sr. Mohd Nazri Bin Mat Noor	6/6	2/2
7	Encik Rosland Bin Othman	6/6	2/2

1.6

KEY PERSONNELS

Encik Rosland Bin Othman

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Malaysian / Aged 48 / Male

Details of the Group Managing Director | Chief Executive Officer | Executive Director is set out on page 25 the Directors' Profile of this Annual Report.

1.6.1 KEY PERSONNELS

Mohd Ariff Bin Abd Samat

GROUP CHIEF OPERATING OFFICER

Malaysian / Aged 39 / Male

Encik Mohd Ariff Bin Abd Samat joined the Company as the Finance Director on 10 September 2019 and was redesignated as the Group Chief Operating Officer on 30 September 2021. He will supervise all operational matters related to Sarawak Consolidated Industries Berhad (SCIB) and its subsidiaries.

He holds a Bachelor's Degree in Accounting from the International Islamic University Malaysia and is a Member of Malaysian Institute of Accountants ("MIA").

His experience in the oil & energy industry, among others, includes roles in internal audit, cash flow budgeting, responsible for the execution of internal audits function in operational, compliance, financial and risk management audits in manufacturing, Original Equipment Manufacturer ("OEM"), automotive and heavy engineering.

He has over 10 years in key positions in Internal Audit, Accounts, Reporting and Business Planning & Budgeting in the oil & energy industry during his tenure with Petronas, UMW Corporation Sdn. Bhd. and KPMG Malaysia.

He has also covered a wide range of sectors such as privatization of government projects/private finance initiatives/public private partnership, water and waste water, asset-backed securities (including CLOs, RMBS and non-performing loans), toll roads, property/real estate, healthcare, aviation, renewable energy and waste management.

Chai Tze Khang

CHIEF OPERATING OFFICER

Malaysian / Aged 47 / Male

Mr Chai Tze Kang 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 to oversee the daily operations of manufacturing business of SCIB on a day-to-day basis.

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

He gained more than 20 years of experience in Manufacturing operation and Sales and Marketing throughout his career in various positions such as QA Manager and Factory Manager. He was instrumental in setting up various factory expansions for SCIB. He is also the director of SCIB's subsidiary companies.

Chiew Jong Wei

CHIEF FINANCIAL OFFICER

Malaysian / Aged 46 / Male

Mr Chiew Jong Wei joined SCIB on 19 February 2018 as the Chief Financial Officer of the Company.

He is a member of the Malaysian Institute of Accountants ("MIA").

He has more than 20 years working experience in audit firms and commercial companies as Accountant, Financial Controller, Head of Treasury and Head of Finance.

1.6.2 KEY PERSONNELS

Rashidi Bin Jamani

SENIOR BUSINESS DEVELOPMENT MANAGER

Malaysian / Aged 49 / Male

Mr. Rashidi Bin Jamani joined SCIB on 2 March 2020 as the Senior Business Development Manager of the Company. He holds a Bachelor of Arts in Accounting and Finance from the University of Lancaster, UK and is a member of the Association of Chartered Certified Accountants ("ACCA").

He has vast experience in the account and finance industry, which includes role in the assessment and evaluation of company proposals, facilitation with relevant stakeholders, undertakes venture capital investment and administration and financial management of the company.

He has over 20 years in key positions in Venture Capital Investment, Business Advisory, Fund management during his tenure with BIMB Venture Capital Sdn Bhd, Prokhas Sdn Bhd, and TERAJU Corporation.

His last attachment was with the Teraju Corporation where he assumed a role as an Associate Director for Financial Services & Special Project. He led a program named 'Skim Jejak Jaya Bumiputera (SJJB) to identify qualified Bumiputera-controlled companies to be assisted to go through the listing process in Bursa Malaysia.

Saiful Azrin Bin Fudzil

HEAD OF PROJECT MANAGEMENT TEAM (PMT)

Malaysian / Aged 48 / Male

Mr. Saiful Azrin Bin Fudzil joined SCIB on 1 June 2021 as the Head of PMT of the Company.

He holds a Bachelor of Science in Industrial Engineering from the Lehigh University, Pennsylvania, USA.

He is a member of the U.S.A Industrial Engineering Honor Society ("Alpha Pi MU") and member of U.S.A Society of Manufacturing Engineers ("SME").

He has vast experience in the infrastructure works at PeIP, Pengerang and he managed operation of facilities at Proton Center of Excellence, Proton Tanjung Malim & Proton Casting Plant.

Wong Li Wen

HEAD OF CORPORATE SERVICES

Malaysian / Aged 38 / Female

Ms. Wong Li Wen joined SCIB in 2008 as an Accountant and was the Finance Manager since 2012. She was then appointed as the Chief Financial Officer of the Company on 4 April 2016 and was 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 University of London, is a Fellow Member of The Chartered Association of Certified Accountants ("FCCA") and a member of the Malaysian Institute of Accountants ("MIA").

She has more than 15 years working experience in audit firms and commercial companies as Accountant, Company Secretary, Finance Manager and Chief Financial Officer.

Notes:

1. ***Family Relationship with Director and/or Major Shareholder*** *The Chief Executive Officer and none of the Key Senior Management has any family relationship with any director and/or major shareholder of the Company.*
2. ***Conflict of interest*** *The Chief Executive Officer and none of the Key Senior Management has any conflict of interests with the Company.*
3. ***Conviction of Offences*** *The Chief Executive Officer and none of the Key Senior Management 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*** *The Chief Executive Officer and none of the Key Senior Management has other directorship in public companies.*

2 ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Overview of Company's Business

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 whereby components are manufactured in a control 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. The Group's brand is well-known among housing developers and contractors in Sarawak as well as other parts of Borneo.

We operate three (3) factories in Kuching located in the Pending Industrial Estate and the Demak Laut Industrial Park with a total capacity of 500,000 tonnes yearly, which is sufficient to cater Sarawak's large public infrastructure projects such as the State's portion of the Pan Borneo Highway, Sarawak's coastal road and bridges, water and power supply, public schools, hospitals and health clinics and other infrastructure and construction projects overseas. SCIB is home to 316 employees and contract workers as of 31 December 2021.

OUR VISION

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

OUR MISSION

- To operate based on sound management principles in order to grow and create value for our shareholders and create 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

OUR KEY MARKETS

The Group began by supplying precast concrete and IBS products to Sarawak and parts of Sabah, Kalimantan and Brunei where we are the market leader. Now, the Group has spread its wings, diversifying to the rest of Malaysia, as well as overseas markets. Besides civil infrastructure projects, our products such as pipes, piles, culverts, beams and other precast concrete IBS components are used extensively in commercial, industrial and residential property projects too.

Building strategic relationships with our customers is important to us and we have gone above and beyond the normal 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 shown excellent track records as a manufacturer that not only in supplying the products but also in 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 and 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, ISO45001:2018 (Occupational health and safety management systems) and ISO14001:2015 (Environmental Management Systems)
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

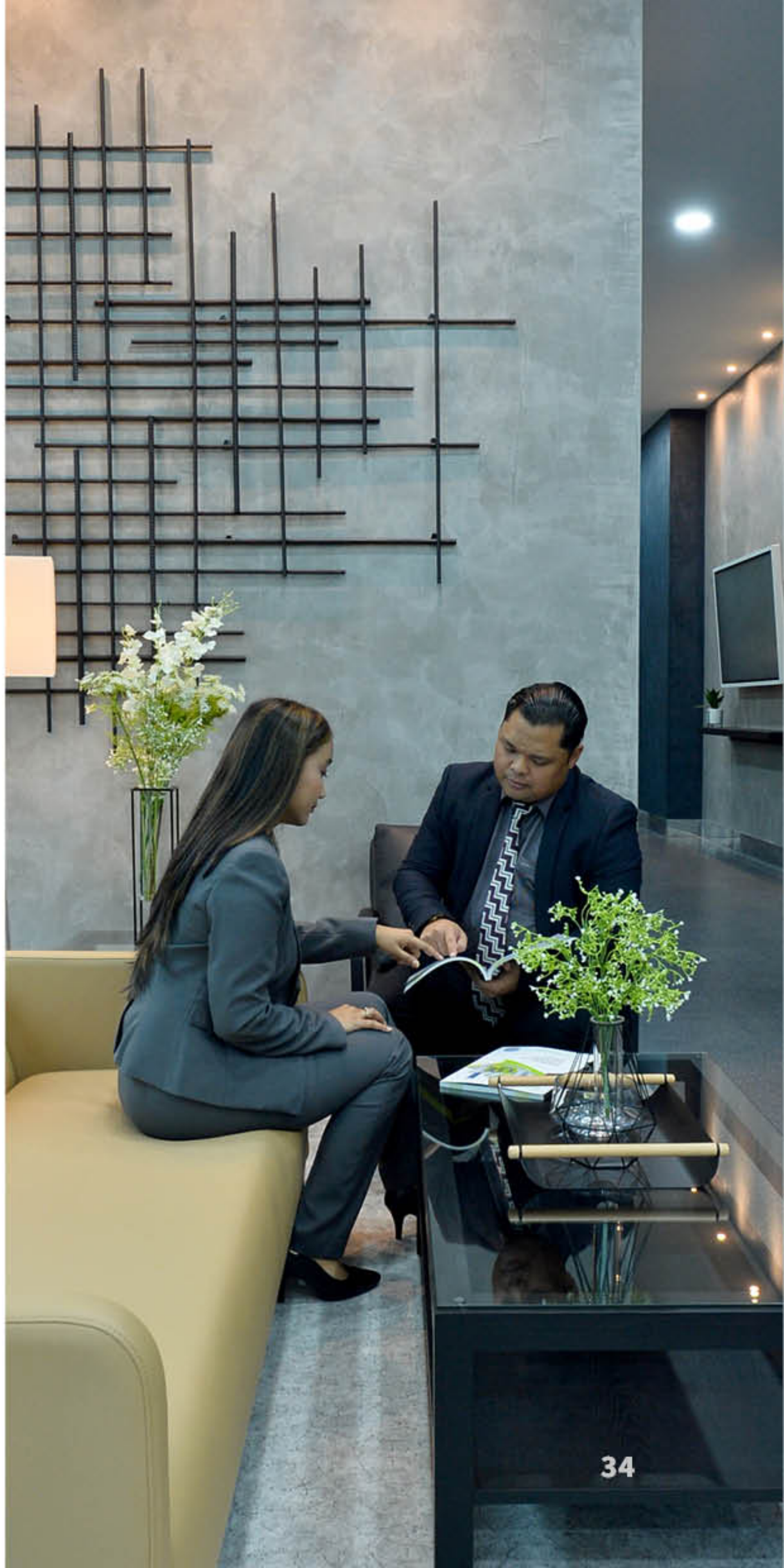
While Sarawak continues to be an important market for us, we seek opportunities throughout Malaysia and beyond to:

i) Increase market acceptance and government support of the IBS system
ii) Increase use of the IBS system as developers and contractors facing labour shortages
iii) Continue roll-out of large infrastructure projects in Sarawak such as the Pan Borneo Highway, Sarawak coastal road and bridges, water and power supply, public schools, hospitals and health clinics
iv) Expand to overseas markets

OUR BUSINESS STRATEGIES

The Group's construction division is diversifying geographically from our main market in East Malaysia by leveraging on our presence in overseas to tender for projects. Our manufacturing division will leverage on our experience in producing quality building materials through our entry into higher value-added projects in the Engineering, Manufacturing, Construction and Commissioning ("EMCC") sector where we can increase sales of our precast concrete and IBS products.

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.



KEY FACTS
(As at 11 January 2022)

More than **RM1 billion** construction projects supported

3 integrated factories based in Sarawak

500,000 tonnes annual capacity

Newly acquired subsidiary company in West Malaysia with **IBS facilities**

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")

RM1.3 billion order book value

Wharf facility for shipment across Borneo

Leading precast concrete & IBS manufacturer **in East Malaysia**

Company Financial Review

The Group had changed the financial year end from 31 December to 30 June. The financial period ended 30 June 2021 ("FPE 2021") covers the period under review from 1 January 2020 to 30 June 2021 over eighteen (18) months whereas the previous financial year ended 31 December 2019 ("FYE 2019") covered twelve (12) months and therefore the financial results cannot be entirely compared.

The Group has shown an increase of 131.4% in revenue at RM199.0 million for FPE 2021 as compared to the RM86.0 million of revenue recorded for FYE 2019, which the manufacturing division remains as the largest contributor to the Group's revenue. Meanwhile, the significant increase in construction segment revenue is mainly contributed by the rolling out of overseas projects in Qatar, Oman and also Indonesia.

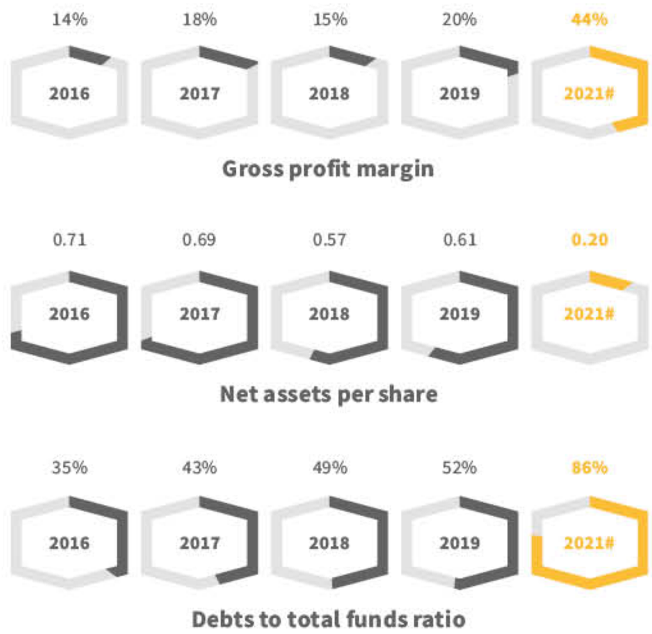
During the financial period under review, the Group's Gross Profit ("GP") has shown an increase of 401.7% at RM86.8 million, as compared to RM17.3 million recorded for FYE 2019, mainly due to the turnaround of

OUR FINANCIAL HIGHLIGHTS FOR THE PAST 5 FINANCIAL YEARS/PERIOD

FINANCIAL YEAR	2016 (12 MONTHS) (RM'000)	2017 (12 MONTHS) (RM'000)	2018 (12 MONTHS) (RM'000)	2019 (12 MONTHS) (RM'000)	2021 (18 MONTHS) (RM'000)
Revenue	**57,027**	**68,785**	**75,957**	**86,048**	**198,964**
- Manufacturing/Corporate	56,844	61,098	75,957	77,511	**105,696**
- Construction/EPCC/Project Management*	183	7,312	-	8,902	**93,268**
- Property Trading	-	375	-	(365)	**-**
Gross profit / (loss)	**7,734**	**12,441**	**11,410**	**17,297**	**86,829**
- Manufacturing/Corporate	7,691	11,637	14,323	16,076	**21,168**
- Construction/EPCC/Project Management*	43	760	(2,913)	1,256	**65,661**
- Property Trading	-	44	-	(35)	**-**
Profit / (loss) before tax	1,592	(118)	(9,928)	3,193	**5,722**
Profit / (loss) after tax	1,592	(258)	(9,792)	3,150	**(4,209)**
Adjusted EBITDA	2,370	5,089	2,041	6,609	**58,031**
Total assets	92,891	108,619	101,941	116,109	**761,860**
Current assets	52,253	57,774	58,945	65,719	**715,302**
Total liabilities	41,011	49,763	53,090	64,108	**663,488**
Shareholders' equity	51,880	58,856	48,851	52,001	**98,372**
Current liabilities	28,086	39,273	36,637	44,321	**646,542**
Loans and borrowings	23,827	23,830	26,305	37,426	**44,035**
TOTAL NO. OF SHARES	**73,582,500**	**85,882,500**	**85,882,500**	**85,882,500**	**490,610,000**

Remark:-
(*)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.

FINANCIAL RATIOS



Remark:-
(#)This was a cumulative 18-months result due to the change in financial year end from 31st December 2020 to 30th June 2021.

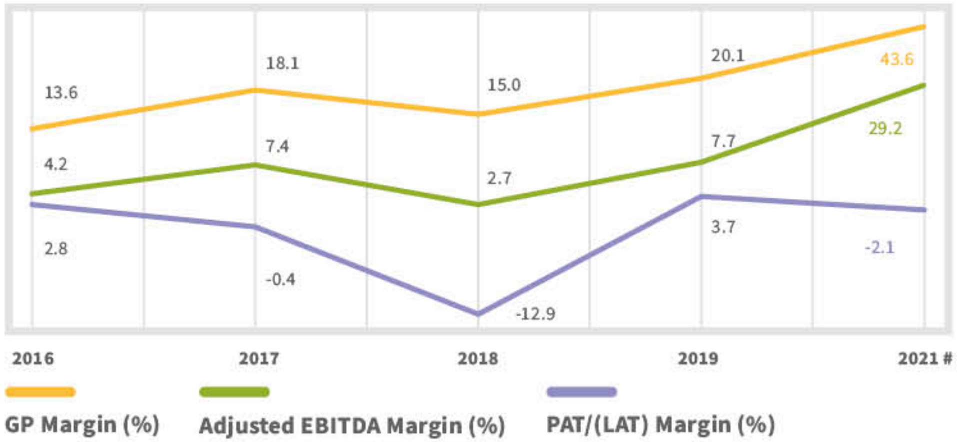
construction division that contributed RM65.7 million during FPE 2021, as compared to RM1.3 million in FYE 2019. Subsequently, the Group's other income for FPE 2021 stood at RM25.1 million, mainly attributed by the net proceeds arising from the termination of Share Sale Agreement of RM22.8 million.

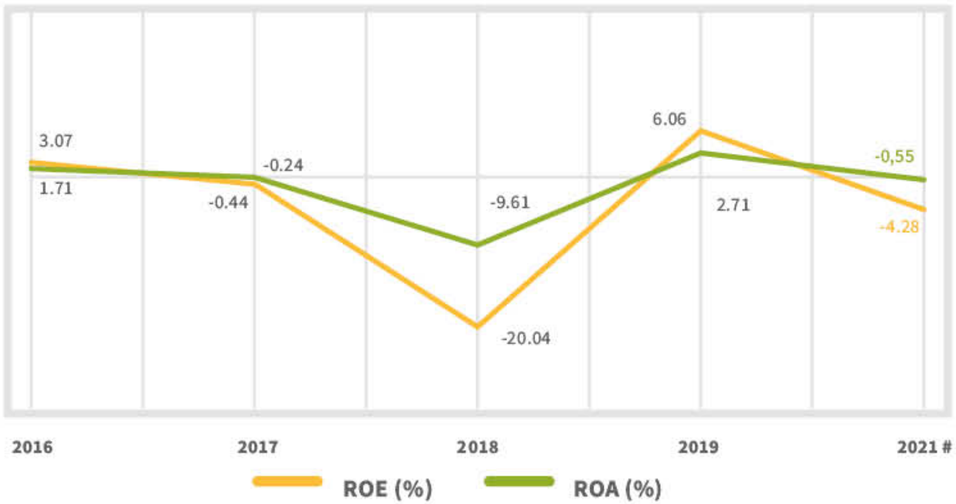
The Group's profit before tax ("PBT") grew 78.1% from RM3.2 million in FYE 2019 to RM5.7 million in FPE 2021. The PBT is derived after the impairment losses on trade receivables and other receivables of RM63.5 million and RM3.6 million respectively. The impairment on trade receivables is due mainly to the long outstanding debts from overseas projects, and the projects' net outstanding balance were fully impaired in compliance with MFRS 9.

The Group's total assets gained 556.2% to RM761.9 million as of 30 June 2021 compared to the RM116.1 million recorded in the corresponding year of 2019.

Our current assets increased by 988.7% to RM715.3 million as at 30 June 2021 compared to the RM65.7 million recorded in the corresponding year of 2019 whereby total liabilities increased by 935.0% or RM599.4 million to RM663.5 million. Cash and bank balances stood at RM39.0 million as of 30 June 2021.

PROFITABILITY & MARGINS





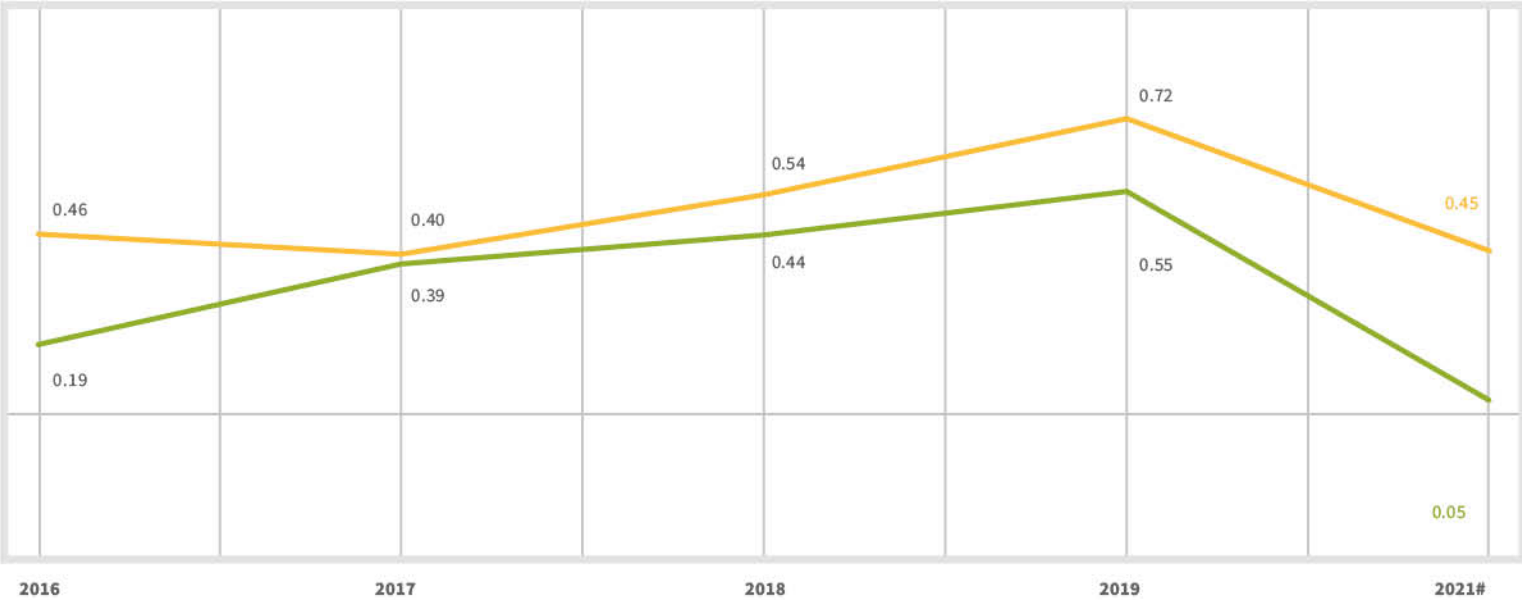
Remark:-
(#)This was a cumulative 18-months result due to the change in financial year end from 31st December 2020 to 30th June 2021.

2.1.6 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Gearing & Net Gearing

Gearing (X)

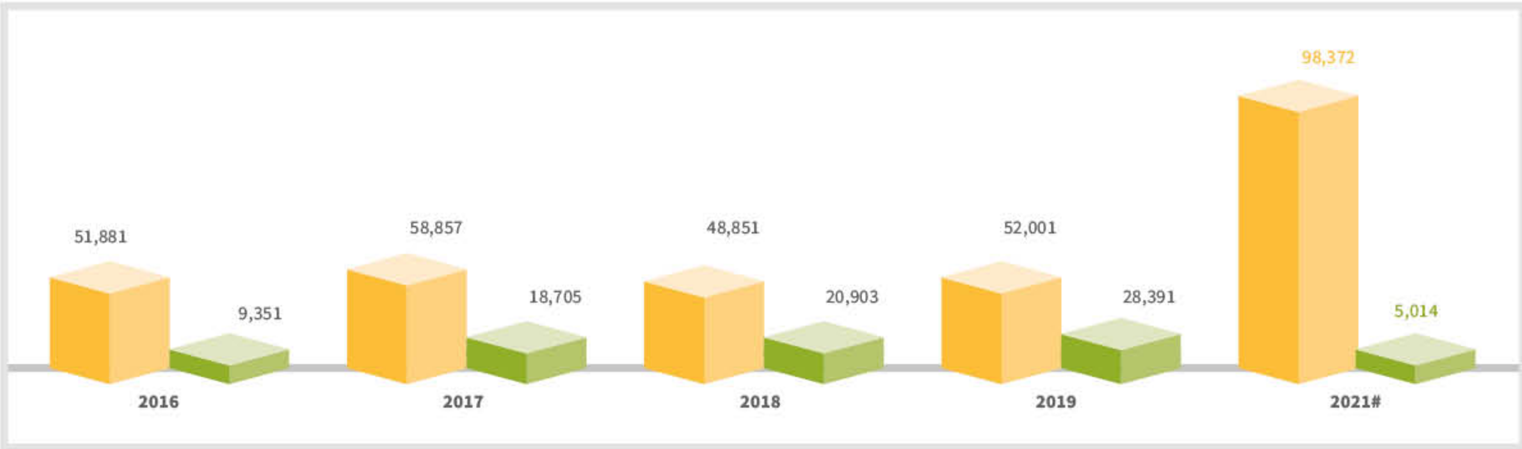
Net Gearing (X)



Net Assets & Net Debt

Net Assets (RM'000)

Net Debt (RM'000)



Remark:-
(#)This was a cumulative 18-months result due to the change in financial year end from 31st December 2020 to 30th June 2021.

Operation Review By Business Segment

The Group's business segments are as follows:

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

MANUFACTURING/CORPORATE SEGMENT

- Manufacturing/Corporate segment revenue increased by 36.4% to RM105.7 million for FPE 2021 as compared to RM77.5 million recorded in FYE 2019 mainly attributed by the increase of sales to Pan Borneo Highways, rolling out of coastal bridges and schools projects in the State of Sarawak.

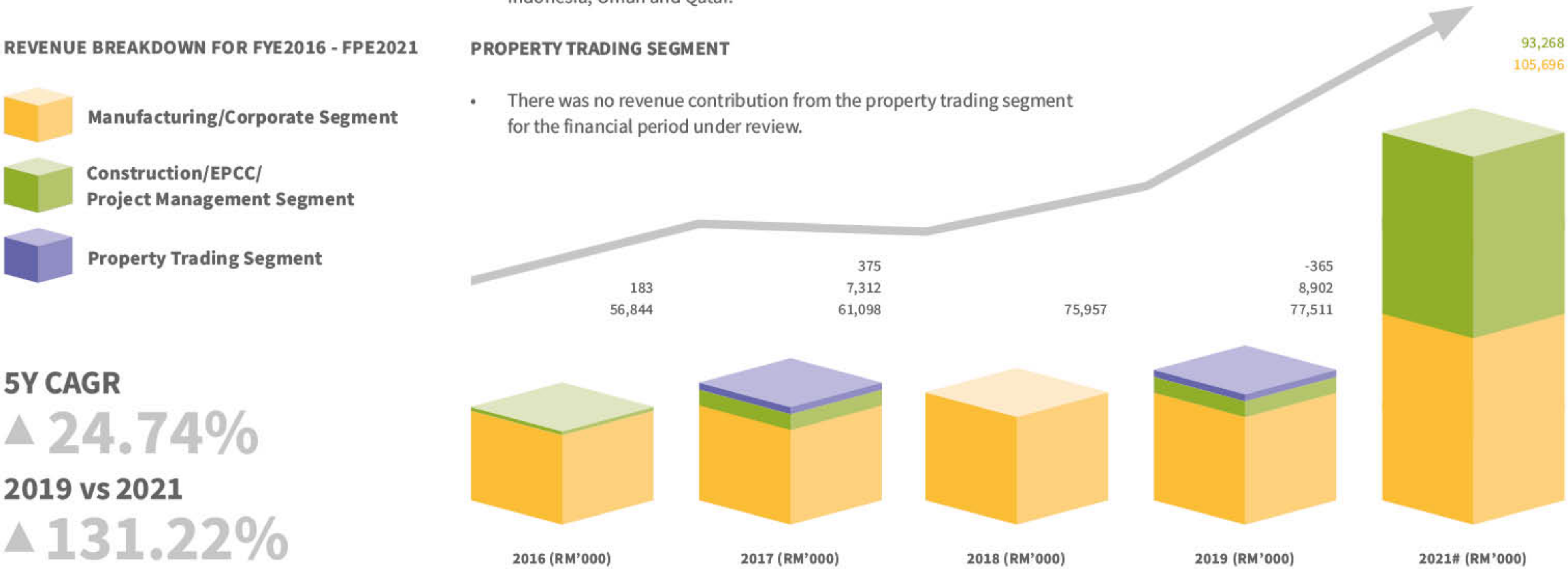
CONSTRUCTION/EPCC/PROJECT MANAGEMENT SEGMENT

- Construction/EPCC/Project Management segment has reported revenue of RM93.3 million for FPE 2021, representing an increase of 947.7% as compared to RM8.9 million recorded in FYE 2019. This is mainly contributed by the contracts secured across Indonesia, Oman and Qatar.

PROPERTY TRADING SEGMENT

- There was no revenue contribution from the property trading segment for the financial period under review.

REVENUE BREAKDOWN FOR FYE2016 - FPE2021



5Y CAGR

▲24.74%

2019 vs 2021

▲131.22%

Remark:-

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

2.1.8 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

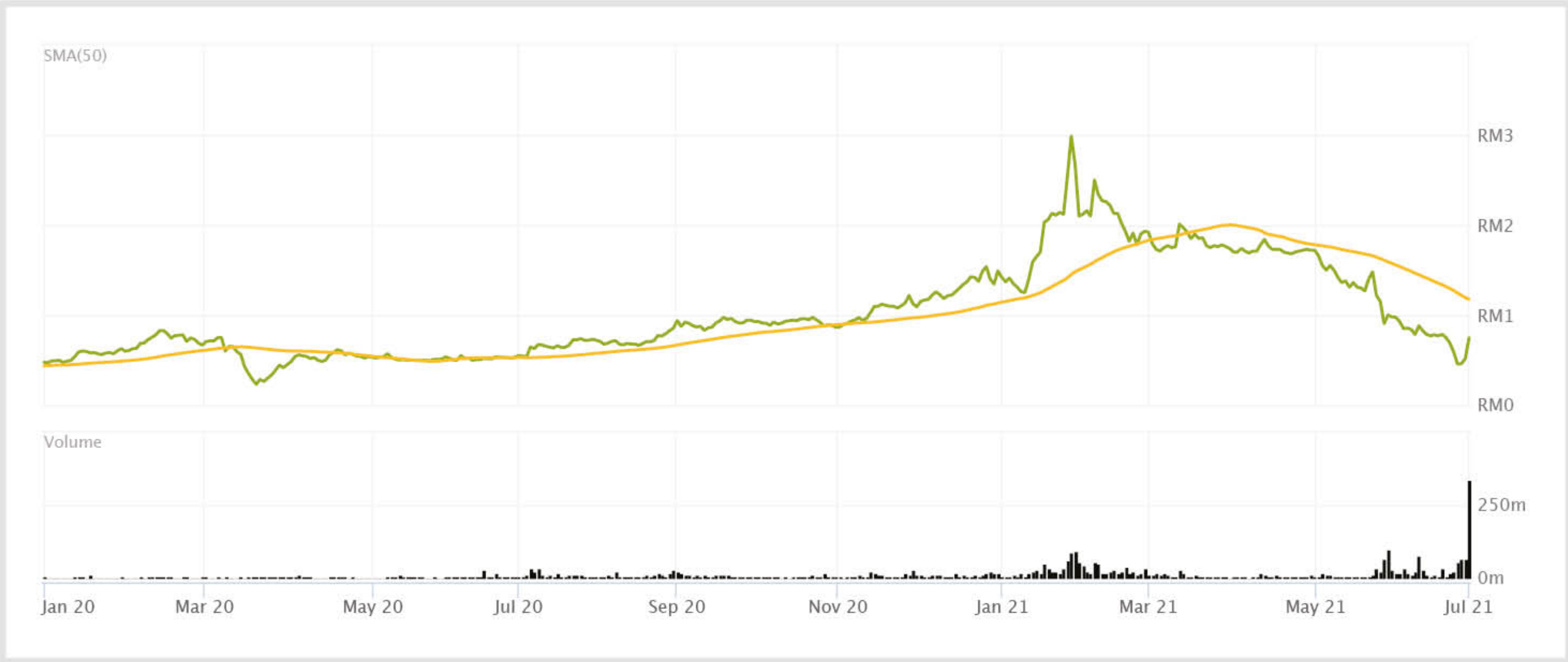
SHARE PRICE PERFORMANCE

As at 30 June 2021, the Group's share price closed at RM0.515 with a total market capitalisation of RM252.7 million. Year-to-date high and low share prices marked RM3.080 and RM0.225 respectively.

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 period under review, the Company has declared and paid interim dividends of RM15,819,593 to the shareholders.

Share Price Performance & Trading Volume for the period ended 30 June 2021



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 being 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 recommends 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 and its subsidiary, SCIB International (Labuan) Ltd. had on 10 November 2021 signed the respective Settlement Agreements with our Clients and the respective subcontractors for Qatar and Oman projects that have been awarded to SCIB Group, to mutually terminate the Contracts and confirm the obligation on the full and final settlement of debts and establish the term and payment schedule for the amount owing between the Parties. Full impairment has been provided for the balances due from oversea projects as a measure to mitigate the group exposure to credit risk. In sight of the full provision of impairment, the outstanding balances from the overseas projects are excluded from the calculation of trade debtors' turnover period. The Group's trade debtors' turnover period increased from 124 days to 139 days, mainly due to the longer collection period of construction clients during the pandemic. However, the management is confident that these debts are collectible as most of the debtors are long-term active customers. Ample steps have been taken to assess and manage the credit risks during the period under review.

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 RM31.7 million, of which only RM26.1 million or 82.4% was drawn down in the financial period 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.

RISKS INHERENT IN THE INFRASTRUCTURE AND CONSTRUCTION INDUSTRIES

By virtue that the Group is involved 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, machines 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 foreign countries such as Indonesia, Qatar, Oman, and others (if any) 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

Following the accelerated pace of vaccination rollout, Malaysia's economy has been gradually rejuvenated through the four phases of National Recovery Plan ("NRP"), aiming for full reopening with the upliftment of containment measures, normalisation of economic activities, betterment in labour market, and expansion in exports and activities ramp-up in 2022.

SCIB remains resilient and committed in creating value and optimising performance for the Group in year ahead. SCIB has re-strategised its geographical positioning by taking a closer look at potential emerging markets especially in the home and neighbouring countries. This is considering the accessibility of affordable manpower for localised developments. The focus of Budget 2022 is also on Sabah and Sarawak where SCIB has built its base at, with RM5.2 billion and RM4.6 billion of funds allocated. Being the largest precast concrete and Industrialised Building System ("IBS") manufacturer in East Malaysia, the Group has been and will continue supporting the state-initiated people-centric construction projects with its three integrated manufacturing factories and wharf facility for shipment across Borneo to supply 500,000 tonnes of building materials annually.

Riding along the country's expected economic recovery, SCIB has been aggressive in its participation of EPCC and construction tendering activities both in the government and private sector. As such, the EPCC and construction segment has been growing rapidly especially so in the Peninsular Malaysia. Geographical presence of SCIB has now expanded into the state of Johor, Perak, Terengganu, Negeri Sembilan, Kelantan and Selangor. SCIB will continue its participation in the development of affordable housing scheme like PR1MA and PPAM projects, securing roadwork construction and maintenance projects as well as EPCC and construction of hospitals and schools both in the Peninsular Malaysia and East Malaysia.

SCIB is strengthening its capabilities and capacities through the establishment of internal construction execution team for smoother project control, expansion of building materials manufacturing facilities to support Peninsular Malaysia projects, and adoption of advanced technology to achieve automation with higher cost- and time-efficiency, lower risk of human errors as well as to solve the labour shortage issue. The Group is currently installing and commissioning its first 3D printing system from COBOD International, a 3D construction specialist based in Denmark after the printer arrived in Malaysia in September 2021. Subsequently, the Group will construct an IBS sample house with the technology and collaborate with Construction Industry Development Board (CIDB) to explore further on its application in domestic landscape. On top of this, SCIB has incorporated a lightweight system plant to enhance the existing IBS offerings and is adopting the Artificial Intelligence (AI), Building Information Modelling (BIM) as well as other software to level up the overall operational efficiency.

Having overcome the challenges, SCIB is striving its best to set back on right path leveraging on its growth strategies put forward above as well as the encouraging industry outlook. Barring any unforeseen circumstances, the Group remains upbeat on its long-term prospects.

3

CORPORATE GOVERNANCE

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 which was released on 28 April 2021, in implementing its governance system and ensuring compliance with 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 an overview of the Corporate Governance Statement, which provides key highlights on how the Company complies with the three (3) principles of the MCCG 2017 during the financial period ended 30 June 2021, which are as follow:

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

This statement was approved by the Board of Directors on 11 January 2022 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.

The CG Report is available on the Company's website as well as via announcement on the website of Bursa Securities.

As at 30 June 2021, the Company complied in most of the material aspects with the principles as set out in the MCCG.

The Company has applied twenty-nine (29) of thirty-six (36) recommended practices of MCCG, which 2 recommended practices are not applicable. In addition, the Company has applied 2 of 4 Step-Up recommended practices.

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.

Principle A: Board Leadership And Effectiveness

1. BOARD RESPONSIBILITIES

The Board is 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.

The Board has formally adopted a Board Charter, which outlines the roles and responsibilities of the Board and those which it delegates to the various Board Committees.

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:

- Formulates the Company's annual business plan and the medium-term and long-term strategic plans;
- Approves the Company's annual budget and carries out periodic review of the progress made by the various operating divisions against their respective business targets;
- Prescribes the minimum standards and establishes policies on the management of risks and other key areas of the Company's operations;
- Oversight of the Company's business operations and financial performance;
- Ensures the operating infrastructure, system of controls, systems of risk management, financial controls and operational controls, are in place and properly implemented; and
- Undertakes various functions and responsibilities as required from time to time.

3.1.1 CORPORATE GOVERNANCE OVERVIEW STATEMENT

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") and Investment Committee ("IC").

All the Board Committees have their own terms of reference to deal with particular issues and report back to the Board with the necessary recommendation, if any.

The Board Committees comprise majority of independent Non-Executive Directors which are able to provide diverse perspectives and insights supporting the Board to make decision 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 for its directors and employees which are implemented to enable the exposure of any violations or improper conduct or wrongdoing within the Company.

The Board has approved the Anti-Bribery & Anti-Corruption Policy for the Company with the objective to manage risk in relation to fraud, bribery and corruption.

The aforesaid Board Charter and the respective policies and procedures are accessible at the Company's website.

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.

2. BOARD COMPOSITION

As at the date of this Report, the Board consists of seven (7) members, of whom two (2) are Non-Independent Non-Executive Directors, four (4) are Independent Non-Executive Directors and one (1) is an Executive Director, as follow, which complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent:

NO	NAME OF DIRECTORS	DESIGNATION
1	YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	Non-Independent Non-Executive Chairman
2	Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir	Non-Independent Non-Executive Director
3	YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	Independent Non- Executive Director
4	YBhg. Datu Haji Soedirman Bin Haji Aini	Independent Non- Executive Director
5	Encik Shamsul Anuar Bin Ahamad Ibrahim	Independent Non-Executive Director
6	Encik Sr. Mohd Nazri Bin Mat Noor	Independent Non-Executive Director
7	Encik Rosland Bin Othman	Group Managing Director / Chief Executive Officer ("GMD/CEO") / Non-Independent Executive Director

3.1.2 CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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.

The Company's Non-Independent Executive Director which is also the GMD/CEO is responsible for providing the vision and strategic direction of the Company and to formulate appropriate corporate strategies and develop the business.

He is also involved in all day-to-day management and for leading the development and execution of the Company's medium-term and short-term plans.

He acts as a direct liaison between the Board and the Management and communicates on behalf of the Company to the Board, shareholders, employees, Government Authorities and other stakeholders.

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.

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, assessment 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; and
- Constructively challenge and contribute to the development of the business strategies and direction of the Company.

The Independent Non-Executive Directors 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 ensures that the Independent Non-Executive Directors remain free of conflict of interest situations and execute their roles and responsibilities effectively.

The members of the Board possess wide-ranging experiences, skills and expertise in accounting, economics, engineering and business management and are persons of high caliber and integrity, which give added strength to the leadership which is necessary for the effective stewardship of the Company.

The Board is confident that there are sufficient experienced and independent–minded Directors on the Board to provide sufficient check and balance.

Given that there are four (4) experienced 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 to support objective and independent deliberation, review and decision making.

None of the Independent Non-Executive Directors hold office for more than nine (9) years under the reporting period.

The Board is well aware that the tenure of an independent director should not exceed a cumulative term of nine (9) years as recommended by the MCCG.

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.

The RNC and the Board also noted that pursuant to the MCCG, the Board may provide justifications and seek shareholders' approval in the event there is intention to retain a Director who has served a cumulative term of nine (9) years as an Independent Director.

The Board views that Board membership is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender.

The RNC have assessed the Board's size and composition and was satisfied that the Board's 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.

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 (CCM).

Board Meetings & Supply of Information

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

The Board holds meetings of no less than four (4) times a year as soon as the Company's quarterly and annual results are finalised 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 the expeditious review or consideration by the Board.

The minutes of the Board meetings were circulated to all Directors for their perusal and comments.

The Directors may request for 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.

At the Board meetings, 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 Senior Management Committees ("SMC") 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 on its financial position, and the mitigating factors.

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 Chairman of the AC would inform the Directors at Board meetings, of any salient matters noted by the AC and which require the Board's notice or direction.

To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance to a structured agenda.

For effective Board proceedings, the Directors would receive the structured agenda together with comprehensive management reports and proposal papers at least five (5) business days before the Board meeting, which is in accordance to MCCG.

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 Secretaries, or to consult independent advisers, if they deem necessary.

The Company has appointed qualified Company Secretaries as required pursuant to the Companies Act 2016.

The Company Secretaries are fellow members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

They are competent in carrying out their work and play supporting and advisory roles to the Board with the assistance of the Management.

They ensures adherence and compliance to the procedures and regulatory requirements from time to time.

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.

The directors remain fully committed and dedicated in fulfilling their duties and responsibilities as reflected by their attendance at Board meetings during the financial period, in which 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.

Training & Development of Directors

All Directors have attended the Mandatory Accreditation Program ("MAP") and the Directors have continued to attend seminars and briefings during the financial period in order to enhance their skills and knowledge, and to keep abreast with changing commercial risks in line with market and economic developments.

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

The Directors also keep up-to-date with market developments and related issues through discussion meetings with the other Senior Management Officers.

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

The Company's Human Resources Department facilitates the organisation of internal training programmes and Directors' attendance in external programmes.

The details of directors' training participated during the financial period are highlighted in the Directors' Profile report herein this Annual report.

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 a member of the Board and Board Committee.

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.

The Constitution of the Company provide that at its every annual general meeting, one-third of Directors for the time being and those appointed during the financial period shall retire from office and shall be eligible for re-election.

The Constitution further provide 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 or the Director concerned to continue to hold office.

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.

The Board is of the view that there is no need to set a time-frame on how long an Independent Director should serve on the Board in view of the following reasons:

- The ability of a Director to serve effectively as an Independent Director is very much a function of his calibre, qualification, experience and personal qualities, and has no compelling relationship to his tenure as an Independent Director; and

- The Board conducts annual assessment of Independent Directors in respect of inter-alia their skills, experience and contributions, and whether the Independent Directors are able to discharge their duties with unbiased judgement.

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

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

NO	NAME OF DIRECTORS	AUDIT COMMITTEE	REMUNERATION & NOMINATION COMMITTEE	RISK MANAGEMENT COMMITTEE	INVESTMENT COMMITTEE
1	YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	-	Chairman	-	Chairman
2	YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	Member	Member	Member	-
3	YBhg. Datu Haji Soedirman Bin Haji Aini	Member	-	Chairman	Member
4	Encik Shamsul Anuar Bin Ahamad Ibrahim	Chairman	Member	Member	-
5	Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir	-	-	Member*	-
6	Encik Sr. Mohd Nazri Bin Mat Noor	-	-	-	Member*
7	Encik Rosland Bin Othman	-	-	-	Member

*Appointed on 25 February 2021

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, 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.

Audit Committee

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

The AC meets at least four (4) times a year.

Remuneration and Nomination Committee

The RNC will recommend candidates for all directorships to be filled to the Board.

Any new Director will undergo a familiarisation programme, which includes 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 Director are properly carried out and all legal and regulatory obligations are met.

The RNC comprises three (3) Non-Executive Directors, the majority of whom are independent.

Meetings of the RNC are held as and when required, and at least once a year.

The RNC will 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.

The RNC had also reviewed the Board Members' directorships in companies other than the Company; the number of directorships held are well within the restriction of not more than five (5) directorships in public listed companies as stated in the Main Market Listing Requirements of Bursa Securities.

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

The RNC and the Board shall assess the independence of all independent directors annually.

In 2021, the RNC carried out the annual review of the overall remuneration policy for Directors and key Senior Management Officers and recommended to the Board for 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 to retain persons of high caliber.

The RNC reviews annually the performance of the Executive Directors and submits 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.

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

Risk Management Committee

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 on 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;
f. All other risk management matters delegated by the Board.

More information about the activities of the RMC is set out in the Statement on Internal Control & Risk Management.

Investment Committee

Among others, the IC has the following roles & 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;
i. To implement other necessary duties as mutually agreed by the Investment Committee and the Board of Directors or any other authorities which are required by law or regulated by any Government authority

1. REMUNERATION

The remuneration of the Executive Director is structured to link rewards to the Company and individual performance.

As for Non-Executive Directors, the level of remuneration reflects mainly on their 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.

The Directors are paid annual fees and meeting allowance for each Board meeting that they attend.

The disclosure of the remuneration of individual Directors of the Company on named basis for the 18 months financial period ended 30 June 2021 is set out as below:

NO	NAME OF DIRECTORS	SALARIES (RM)	FEES (RM)	MEETING ALLOWANCES & OTHER EMOLUMENTS (RM)	TOTAL REMUNERATION (RM)
	EXECUTIVE DIRECTOR				
1	Encik Rosland Bin Othman	800,418	54,000	563,788	**1,418,206**
	NON-EXECUTIVE DIRECTOR				
2	YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	-	108,000	28,000	**136,000**
3	YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	-	54,000	36,800	**90,800**
4	YBhg. Datu Haji Soedirman Bin Haji Aini	-	54,000	39,800	**93,800**
5	Encik Shamsul Anuar Bin Ahamad Ibrahim	-	54,000	47,600	**101,600**
6	Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir	-	54,000	21,200	**75,200**
7	Encik Sr. Mohd Nazri Bin Mat Noor *(Appointed on 31 January 2020)*	-	51,000	20,900	**71,900**
	TOTAL	**800,418**	**429,000**	**758,088**	**1,987,506**

Principle B: Effective Audit And Risk Management

1. AUDIT COMMITTEE

The terms of reference of the AC re set out under the AC Report in this Annual Report. The AC meets at least four (4) times a year.

Relationship with the External Auditors

The AC has in place policies and procedures to review and assess the appointment or re-appointment of the external auditors in respect of their suitability, objectivity and independence.

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.

The AC also meets with the external auditors without the presence of the Management to enable the AC to discuss matters privately with them.

There have not been any non-audit services that have compromised their independence as external auditors of the Company.

On 23 July 2021, the Company received a notice in writing from KPMG PLT ("KPMG") on their resignation as auditor of the Company with immediate effect. To put the matter into context, the Company has been inter alia seeking legal advice regarding recent events surrounding KPMG that has caused adverse speculation against the Company. This is in light of a perception that the Company shares similarities to that of another public listed company, which is currently in litigation with KPMG. Accordingly, concerns were raised by the Company as to whether KPMG is able to continue acting independently in their capacity as auditor consonant with Rule 400.5 of the Malaysian Institute of Accountants By Laws (on professional ethics and conduct).

Following this, KPMG has in the Notice stated the views and opinion of the Company on KPMG's independence coupled with the potential of a claim by the Company, has compromised KPMG's ability to continue to independently discharge their professional duties as auditor of the company. In the circumstances, KPMG is constrained to give notice of their resignation as auditor of the Company with immediate effect pursuant to Section 281 of the Companies Act 2016.

Subsequently, on 7 September 2021, the Company announced to Bursa that Nexia SSY PLT has received the professional clearance from KPMG in accordance to Section 320 of the By-Laws of the Malaysian Institute of Accountants. Nexia SSY PLT, which has given its consent to act as auditor of the Company pursuant to Section 264(5) of the Companies Act 2016 via its letter dated 6 September 2021, has been formally appointed as the external auditor of the Company on the even date.

The external auditors, Messrs. Nexia SSY PLT, are registered with Audit Oversight Board of the Securities Commission.

Through the AC, the Company has established a formal and transparent relationship with the external auditors.

2. RISK MANAGEMENT AND 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 over 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

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

In compliance with the Main Market Listing Requirements of Bursa Securities, the Company also 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 electronic facility to enable communication with shareholders via its website which shareholders 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 in this website.

The Company had its Investors briefing on 3 March 2020, 26 June 2020, 3 September 2020, 27 November 2020, 26 February 2021, 21 April 2021 and 14 October 2021 just to name a few, which gave us the opportunity to share about our business profile, products, recent developments and future prospects with research analysts, fund managers and their sales team.

Investors briefing creates valuable opportunity for the Company to meet with research analyst 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 dialogue with shareholders who are encouraged and given sufficient opportunity to enquire about the Company's activities and prospects as well as communicate their expectations and concerns.

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 by poll.

Hence, all the resolutions tabled at the forthcoming 45th AGM to be held on 28 February 2022 will be voted by way of a poll.

The 45th AGM will be conducted on a fully virtual basis through live streaming from the broadcast venue.

The Company's Annual Report 2021 can be viewed and downloaded from the designated website links: https://scib.com.my/live/annual_general_meeting.html.

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

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 is made in accordance with the resolution of the Board of Directors dated 11 January 2022.

3.2

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Board of Directors is required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, to issue a statement explaining their responsibilities 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 period which gives a true and fair view of the financial position of the Group and of the Company as at the financial period end and their financial performance and the cash flows for the financial period then ended.

The Directors considered that in preparing the financial statements of the Group and the Company for the financial period ended 30 June 2021 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 keep 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 of Directors' Responsibilities is made in accordance with a resolution of the Board of Directors dated 11 January 2022)

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of the Company is pleased to present Audit Committee ("AC") Report for financial period ended 30 June 2021.

1. Composition & Attendance

During the financial period ended 30 June 2021, AC held five (7) meetings, on 26 February 2020, 27 April 2020, 15 June 2020, 26 August 2020, 25 November 2020, 24 February 2021 and 24 June 2021.

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

MEMBERS & DESIGNATION	MEETING ATTENDANCE
Encik Shamsul Anuar Bin Ahamad Ibrahim FCCA, MIA *Chairman / Independent Non-Executive Director*	7/7
YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak *Member / Independent Non-Executive Director*	7/7
YBhg. Datu Haji Soedirman Bin Haji Aini FCCA, MIA *Member/ Independent Non-Executive Director*	7/7

AC consists of qualified individuals having required skills and expertise to discharge its functions and duties.

AC's literacy and understanding of financial reporting standards and information have contributed to meaningful discussions in overseeing integrity of financial reporting processes and financial statements.

The Chairman of AC is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a member of Malaysian Institute of Accountants, which complies with paragraph 15.09(1)(c)(i) of Main Market Listing Requirements of Bursa Malaysia.

Meetings of AC were conducted in accordance with the requisite quorum as stipulated in its Terms of Reference, which requires at least two (2) members, with majority of members present must be independent non-executive directors.

By invitation, the Group Managing Director / Chief Executive Officer, the Group Chief Operating Officer (formerly known as the Finance Director), the Chief Financial Officer, the Chief Operating Officer and / or representative of the internal auditors, were invited to attend all the meetings held during the financial period, to present reports on financial results, internal audit matters and other matters for AC's deliberation and approval, if required.

In addition, other senior management personnel were invited to attend these meetings, when necessary, to brief AC on specific matters.

The External Auditors were invited to brief AC on audit related matters during the financial period and provide a high-level review of the financial position of the Company and its subsidiaries ("Group").

Specific time was also allocated for the External Auditors, to have private discussions with AC in absence of the Management.

Encik Ahmad Zaidi Adenan, Manager of Risk Compliance was the appointed secretary of AC until 26 August 2020.

AC has appointed Ms. Wong Li Wen, Head of Corporate Services, to act as the Secretary of AC since 26 August 2020.

Members of AC were provided with agenda and relevant papers prior to each meeting.

Matters of discussion of AC Meetings will be notified to the Board in its meeting for notation and action by the Board, if required.

2. Terms Of Reference

The terms of reference of AC, as follows, was reviewed and updated on 24 May 2018 to reflect requirements of applicable practices and guidance of the Malaysian Code on Corporate Governance 2021 ("MCCG2021") :

a. Objectives

- AC shall give assurance to shareholders of the Group that compliance with specified financial standards and disclosure policies developed and administered by Bursa Malaysia Securities Berhad are being adhered to.

- In addition, AC shall assure that certain standards of corporate responsibility, integrity and accountability to the Company's shareholders are being inculcated as duties and responsibilities of the Board.

b. Composition

Members of AC shall be appointed by the Board and shall consist of not less than three (3) members, all of whom shall be non-executive directors. The majority of AC members shall be independent non-executive directors.

The Chairman of AC shall be approved by the Board and shall be an independent non-executive director.

c. Meetings & Quorum

- Meetings shall be held not less than four (4) times a year.

- AC may invite any person to its meeting, specific to relevancies.

- A quorum shall consist at least two (2) members, with majority of members present must be independent non-executive directors.

d. Authority

- AC is authorised by the Board to investigate any activities within its terms of reference, having full and unrestricted access to any information pertaining to the Group.

- AC shall have necessary resources which are required to perform its duties and shall have direct communication channels with the external auditors, person(s) executing the internal audit function and independent professional advice if it considers necessary.

- AC shall have a meeting excluding attendance of the Executive Directors and Management, to consider any matter the external auditor believes should be brought to attention of AC and the Board.

e. Roles & Responsibilities of AC

Roles & responsibilities of AC shall be to review:

- With the external and internal auditors: the audit plans, scope of the audits, the audit reports – management letters, major findings and Management's responses thereof, and evaluation of the Group's internal control system;
- Assistance given by the Group's employees to both the external and internal auditors;
- Adequacy and effectiveness of the system of internal control and governance systems, including the adequacy of scopes, functions and resources of the internal audit function, and that it has necessary authority to execute its work;
- Audit fees proposed by the external auditors;
- Performance of the external auditors and to make recommendations to the Board on their appointment, removal or replacement;
- Appointment, dismissal or replacement of the Head of Internal Audit;
- Performance and remuneration of the internal auditors and ensure they are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- Quarterly and annual financial statements of the Group for recommendation to the Board for approval, focusing particularly on:
  - Changes in or implementation of new accounting policies and practices;
  - Significant adjustments arising from the audit;
  - Going concern assumption; and
  - Compliance with the applicable approved accounting standards and other legal and regulatory requirements;
- Adequacy and effectiveness of internal control and governance systems instituted in the Group;
- Any related party transactions ("RPT") that may arise within the Group;
- Verify allocation of options to employees under relevant criteria imposed by the Company's Share Option Scheme; and

- any other functions as may be agreed to by AC and the Board, or as may be required or empowered by statutory legislation or guidelines issued by relevant governing authorities.

3. Summary Of Activities

The following activities were executed by AC during the financial period ended 30 June 2021 in discharging its duties and functions:

a. Financial Reporting

Reviewed the quarterly, interim and annual financial statements of the Group prior to recommending them for approval by the Board.

b. Internal Audit

- Reviewed the audit plan to ensure adequate scope and coverage on activities of the Group, taking into consideration assessment of key risk areas;
- Reviewed the internal audit reports, audit recommendations made and Management's responses thereof; and
- Where appropriate, AC has directed action to be taken by Management to rectify and improve the internal control system and procedures, based on internal audit's recommendations and suggestions for improvement.

c. External Audit

- Reviewed the external auditors' scopes of work and audit plan for the year;
- Reviewed with external auditors on results of the audit and the audit report in particular, and accounting issues and significant audit adjustments arising from the external audit exercise; and
- Evaluated performance of the external auditors and made recommendations to the Board on their appointment, remuneration, removal or replacement.

d. Related Party Transaction ("RPT")

Reviewed related party transactions entered into by the Group, on a quarterly basis, to ensure adequacy of the Review Procedures and to ensure compliance to Chapter 10.08 and Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia.

4. Internal Audit Function

AC is supported by Internal Audit Function in discharge of its roles and responsibilities.

The Group on 28 November 2018 has outsourced its Internal Audit Function's activities to an independent consultant namely CGRM Infocomm Sdn. Bhd. who shall report directly to AC and shall be responsible for regular review and/or appraisal of effectiveness of internal control system within the Group.

In 27 August 2020; the group appointed Salihin Consulting Group Sdn. Bhd.; to replace CGRM Infocomm Sdn. Bhd. to undertake the function.

The role of Internal Audit Function is to undertake regular independent and systematic reviews of internal control system so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively as intended.

The Internal Audit Function covers review of adequacy of operational control, risk assessment, compliance with established internal policies, operational procedures and guidelines, amongst others.

A risk-based approach is adopted for all audits.

The audits ensure that the instituted internal control system is appropriate, effectively applied and achieves acceptable risk exposures consistent with the Group's risk management framework.

In particular, Internal Audit Function has, under remit of AC conducted and submitted four (4) reports on a quarterly basis on the internal audit work performed on operating units, encompassing various areas of operations, where any significant weaknesses were identified, measures were taken to rectify and improve the internal control system accordingly.

The overall review of the internal control system revealed that internal control is generally sound and sufficient, and functioning satisfactorily.

The total costs incurred for the Internal Audit in respect of the financial period ended 30 June 2021 were RM119,186.22.

5. Significant And Subsequent Events

Nexia SSY PLT ("Nexia") was nominated as the Company's external auditor on 19 August 2021 to fill in the vacancy of the statutory external auditor, following the resignation of KPMG PLT on 23 July 2021.

Upon receipt of the former auditor's professional clearance on 25 August 2021 as per Section 320 of the By-Laws of the Malaysian Institute of Accountants (MIA), Nexia has furnished their consent to act as auditor of the Company under Section 264(5) of the Companies Act 2016 on 6 September 2021.

The change of external auditor from KPMG to Nexia SSY was only resolved by 6 September 2021. Subsequently, the new auditor had presented the Audit Planning Memorandum for the 18 months ended 30 June 2021 to the Audit Committee on 28 September 2021.

In view of the change of external auditor and the impact of restrictions in movement in Malaysia and overseas arising from the COVID-19 pandemic, the audit of the financial statements for the financial period ended 30 June 2021 of SCIB Group ("AFS 2021") was affected and the AFS 2021 could not be finalised in time for inclusion in the Annual Report for the financial period ended 30 June 2021 ("Annual Report 2021") for issuance within 4 months from the close of the financial year of SCIB as stipulated under Paragraph 9.23(1) of the Main Market Listing Requirements ("MMLR") of Bursa Securities, i.e., by 31 October 2021.

In the light of approved standards on accounting and auditing, the Company opined that the auditor should be given adequate time to perform their statutory obligations without interference and time constraints to ensure audit works can be conducted effectively and sufficiently. The auditor has stated in their audit plans that the AFS can only be finalised in December 2021. As a result of the dilemma circumstances, the Company has decided to uphold the compliances with the approved auditing and accounting standards by allowing the auditor to perform their duties without interference and time constraints.

Considering that the Company must meet the very tight timeline, the Audit Committee was held fortnightly for constant communication and progress updates from the external auditor. Subsequent to the financial period ended 30 June 2021, the Audit Committee held six (6) special meetings on 25 July 2021, 19 August 2021, 28 October 2021, 10 November 2021, 14 December 2021 and 29 December 2021.

This AC Report was approved by the Board on 11 January 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") is committed to continuously improving the Group's risk management & internal control system and is pleased to present the following Statement on Risk Management & Internal Control for the financial period ended 30 June 2021 (18 months period).

This statement is made pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia and in accordance with the principles as stipulated in the Malaysian Code on Corporate Governance 2017 ("MCCG2017") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

This statement outlines nature and scope of risk management and internal control of the Group and covers all of the Group's operations except for associate companies.

1. The Board's Responsibility

The Board affirms its overall responsibility for risk management and internal control system for the Company and its subsidiaries ("Group"), and for continually reviewing its adequacy and effectiveness to safeguard shareholders' investment, interests of stakeholders, and the Group's assets.

The Group maintains a sound system of risk management and internal control that covers finance, operations, governance and risk management.

The Board believes that system of risk management and internal control should provide reasonable assurance in achieving its corporate objectives as the Board acknowledges limitations that are inherent in such a system.

The Group's system of risk management and internal control is designed to manage rather than to eliminate risk of failure in achieving corporate objectives.

Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatements, financial losses or fraud.

Pursuant to the above, the Board has instituted and has delegated to Audit Committee and Risk Management Committee to uphold risk management & internal control oversight within the Group.

2. The Risk Management Committee

The Risk Management Committee ("RMC") is chaired by an Independent Non-Executive Director, who is neither the Chairman of the Board nor the Audit Committee.

The composition of RMC consists of majority Independent Non-Executive Directors.

The roles and responsibilities of RMC include the following:

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

Six (6) RMC meetings were held during the financial period ended 30 June 2021 (18 months period); which are on 26 February 2020, 15 June 2020, 26 August 2020, 25 November 2020, 24 February 2021, and 23 June 2021 with agenda encompassing the following areas:

- Reviewing and monitoring status of the adopted risk management action plans under the Group's Risk Management Framework;
- Reviewing business risks and operational risks faced by the Group through risk profile of the Group; and

- Reviewing adequacy, effectiveness and relevance of the risk management action plans.

On a quarterly basis, RMC reports to the Board on status of the approved risk profile and mitigation actions plans.

3. The Audit Committee

The terms of reference of the Audit Committee are defined under the Audit Committee Report in this Annual Report and further details are disclosed under Principal B: Effective Audit and Risk Management in this Statement of the Corporate Governance Overview Statement.

4. Risk Management Framework

A sound system of risk management incorporates need to have an appropriate risk assessment framework, identification of internal control to manage and control these risks, implementation of an effective information and communications system, and an ongoing process for monitoring continuing adequacy and effectiveness of system of risk management.

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

The formalization of the Risk Management Framework involved setting up of RMC and Risk Compliance Department, which was established to undertake a risk assessment exercise and to draw up risk management action plans in order to identify, evaluate and manage risks faced by the Group.

RMC and Risk Compliance Department has established an ongoing process for identifying, evaluating and managing risks faced by the Group in its achievement of objectives and strategies.

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing risks faced, and by designing, implementing and monitoring internal control in order to mitigate and control these risks.

The process is regularly reviewed by the Board, which would include on its agenda on the management of risks that may impede business objectives.
The Risk Management process are:

1. Communication and Consultation
2. Establish the Context
3. Risk Identification
4. Risk Analysis
5. Risk Evaluation
6. Risk Treatment

As per the Risk Management Framework, the following risk categories shall be incorporated in the Risk Register & Profile of the Group:

1. Environment Risk;
2. Financial Risk;
3. Human Resources Risk;
4. Information Technology Risk;
5. Legal, Regulatory & Compliance Risk;
6. Operational Risk;
7. Stakeholder Management Risk;
8. Market Risk;
9. Corruption Risk;
10. Construction Risk;
11. Quality Risk;
12. Investment Risk; and
13. Project Risk

5. Internal Control System

Other key processes that have been established in reviewing adequacy and effectiveness of internal control system include the following:

- **Compliance**

  The Group's Accounting and Administration Regulations and Policies, Staff Manual and ISO 9001 Quality Management System Documentations has clearly outline operating procedures that cover finance, human resources and operations.

  Internal audit reviews are conducted at regular intervals to monitor compliance with the procedures and assess integrity of information provided.

- **Financial Performance**

  Interim financial results are reviewed by the Audit Committee and approved by the Board, together with annual budgets and forecasts.

  The variance between actual and budgeted results is analysed for effective Management actions thereafter and presented to the Audit Committee and the Board.

- **Authority Level**

  The Board clearly defines delegated authority levels for revenue and capital expenditure.

  The approval of capital and revenue proposals exceeding authorised limits requires decision by the Board.

  Comprehensive appraisal procedures apply to all major investment decisions.

- **Accountability & Reporting**

  The Group has a clear line of accountability, approval and reporting procedures taking into consideration segregation of duties and other control procedures.

  These procedures are communicated throughout the Group.

- **Internal Audit Function**

  The Board, via the Audit Committee, monitors risks management and internal control system through quarterly reviews, which is undertaken by Internal Audit.

  The reviews include a balanced assessment of risks and adequacy and effectiveness of risk management and internal control system of the Group.

  Where any weaknesses are identified, Internal Audit, together with input from the Management, would recommend measures to improve risk management and internal control accordingly.

6. Assurance From The Management

The Board has received reasonable assurance from the Chief Executive Officer, Group Chief Operating Officer and the Chief Financial Officer that the Group's Risk Management Framework and internal control system are operating adequately and effectively, in all material respects, based on risk management and internal control system of the Group.

7. Review Of The Statement By External Auditors

As required by Para 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* ("AAPG 3") issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Company for the financial period ended 30 June 2021, and reported to the Board that except for those matters highlighted in the Qualified Opinion section of the independent auditors' report, nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Company, in all material respects: has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on adequacy and effectiveness of the Group's risk management and internal control system including assessment and opinion by the Directors and Management thereon.

The report from the external auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Main Market Listing requirements of Bursa Malaysia and for no other purposes or parties.

The external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

8. Conclusion

The Board is of the view that the risk management and internal control system instituted for the year under review are adequate and effective to safeguard the shareholders' investment, the interests of stakeholders, and the Group's assets.

This Statement was approved by the Board on 11 January 2022.

ADDITIONAL COMPLIANCE INFORMATION

1. Audit Fees and Non-Audit Fees

The amount of audit and non-audit fees paid to the External Auditors by the Group and the Company for the financial period ended 30 June 2021 are as follows:

SERVICES	COMPANY (RM)	GROUP (RM)
Audit Fees	107,000	494,929
Non-Audit Fees	20,000	20,000

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

(i) On 16 June 2020, the Company has completed a private placement exercise of up to 42.8% of the total number of the issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, which the Company has issued 36,750,000 new shares with an issue price of RM1.82 per share ("Private Placement 1.0").

The total gross proceeds raised from Private Placement 1.0 is RM66.89 million. The status of the utilisation of the said gross proceeds as at the last practical date ("LPD") 11 January 2022 is set out as below:-

DESCRIPTION	ESTIMATED TIMEFRAME FOR UTILIZATION OF PROCEEDS FROM THE DATE OF LISTING OF THE PLACEMENT SHARES	PROPOSED UTILISATION (RM'000)	ACTUAL UTILISATION AS AT THE LPD (RM'000)	BALANCE AS AT THE LPD (RM'000)
Working capital for on-going projects	Within 12 months from the receipt of placement funds	6,806	6,806	-
Estimated expenses for future projects	Within 24 to 36 months from the date of award of projects	59,408	45,584	13,824
Estimated expenses in relation to the Proposals	Upon completion of the Proposals	671	671	-
		66,885	53,061	13,824

3.5.1 ADDITIONAL COMPLIANCE INFORMATION

(ii) On 3 May 2021, the Company proposed to undertake a private placement of issuance of up to 20% of the total number of issued shares of the Company or equivalent to 147,158,999 new ordinary shares of the Company to third party investor(s) to be identified later, pursuant to Section 75 and 76 of the Companies Act, 2016 ("The Act").

On 27 August 2021, 10,789,332 new ordinary shares were issued at an issue price of RM0.5823 per share. On 13 September 2021, 24,638,200 new ordinary shares were issued under this corporate proposal at an issue price of RM0.5675 per share. On 14 October 2021, 56,000,000 new ordinary shares were issued at an issue price of RM0.3839 per share.

On 22 December 2021, the Company announced that the private placement is deemed completed and the Company has decided not to proceed to place out the remaining placement shares under the private placement.

The total gross proceeds raised from Private Placement 2.0 is RM41.76 million. The status of the utilisation of the said gross proceeds as at the last practical date ("LPD") 11 January 2022 is set out as below:-

DESCRIPTION	ESTIMATED TIMEFRAME FOR UTILIZATION OF PROCEEDS FROM THE DATE OF LISTING OF THE PLACEMENT SHARES	PROPOSED UTILISATION (RM'000)	ACTUAL UTILISATION AS AT THE LPD (RM'000)	BALANCE AS AT THE LPD (RM'000)
Capital expenditure requirements for current operations	Within 12 months from the receipt of placement funds	4,173	4,173	-
Partial settlement of a new business	Within 12 months from the receipt of placement funds	3,431	3,431	-
Working capital for on-going projects	Within 12 months from the receipt of placement funds	25,809	3,892	21,917
Estimated expenses for upcoming projects	Within 24 to 36 months from the date of award of projects	5,150	-	5,150
Estimated expenses	Upon completion of the Proposals	3,200	3,200	-
		41,763	14,696	27,067

3. Material Contracts or Loans with Related Parties

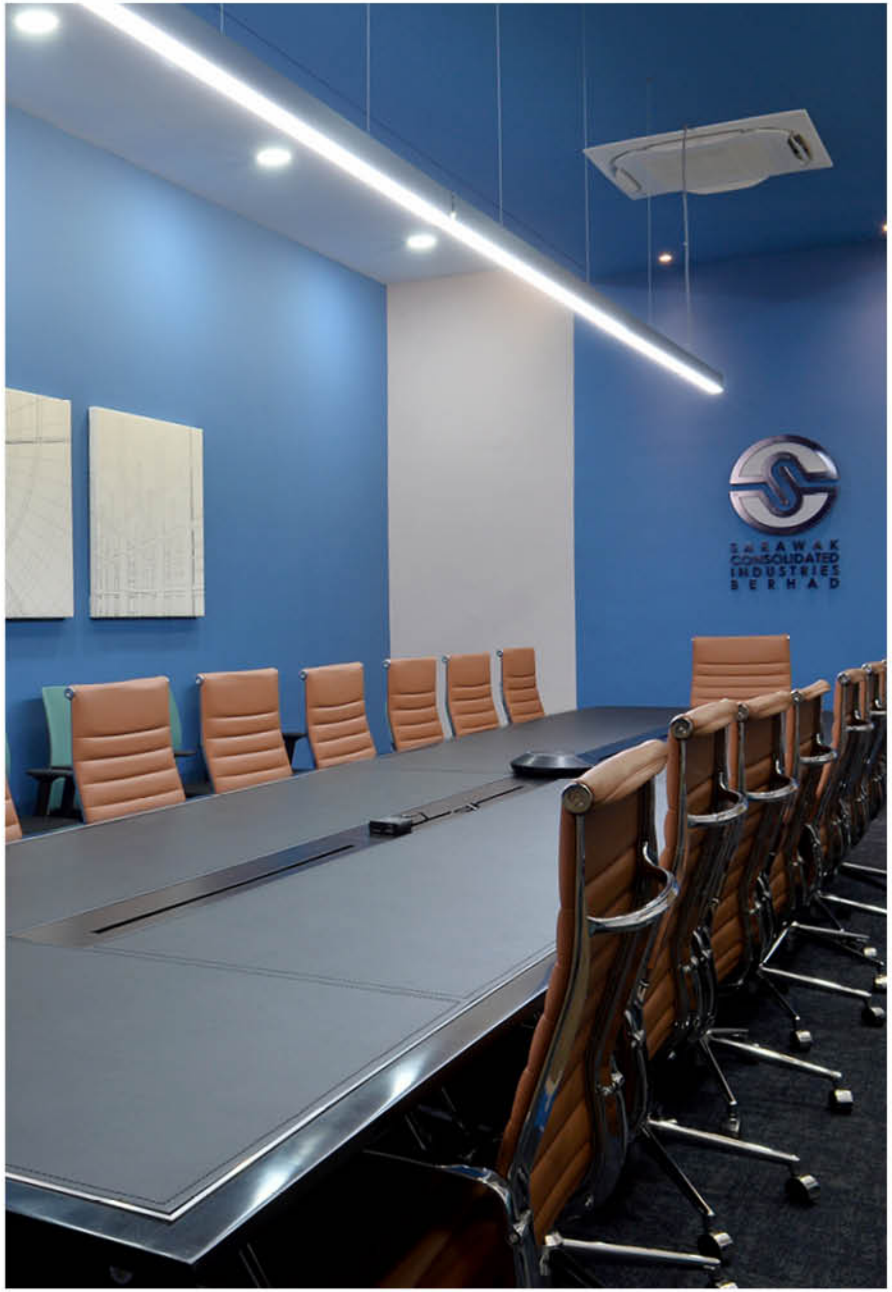
There were no material contracts or loans entered by the Company and its subsidiaries involving Directors and major shareholders' interest either subsisting at the end of the financial period or entered into since the end of previous financial year.

4. Recurrent Related Party Transactions

At the 44th Annual General Meeting of the Company held on 18 June 2020, the Company had obtained the Shareholders' Mandate to allow the Group to enter into RRPTs.

In accordance with Section 3.1.5 of Practice Note 12 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the details of RRPT pursuant to the Shareholders' Mandate are disclosed as follows:

NO.	NATURE OF TRANSACTION	TRANSACTING PARTY	ACTUAL VALUE	INTERESTED DIRECTOR / INTERESTED MAJOR SHAREHOLDER
1.	Provision of engineering, procurement, construction and commissioning ("EPCC") contract in Abu-Dhabi	Serba Dinamik International Limited, a subsidiary of Serba Dinamik Holdings Berhad ("SDHB")	Nil	YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah, who is the common director and common major shareholder of SCIB and SDHB
2.	Provision of engineering, procurement, construction and commissioning ("EPCC") contract in Pengerang, Daerah Kota Tinggi, Johor Darul Takzim, Malaysia	Serba Dinamik International Limited, a subsidiary of Serba Dinamik Holdings Berhad ("SDHB")	Nil	YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah, who is the common director and common major shareholder of SCIB and SDHB



4

SUSTAINABILITY

4.1

SUSTAINABILITY MISSION

To operate in a way that actively recognises the central role that business plays in the structure of society to improve the quality of life of a broad community.

GOVERNANCE STRUCTURE

In recognizing that risk management is correlated to the overall sustainability performance, our sustainability agenda is driven within our governance structure through SCIB's Board Risk Management Committee ("RMC") and Risk Management Working Group ("RMWG") where sustainability issues or sustainability related risks were identified during the risk management assessments. RMWG is led by the Chief Executive Officer and comprises a management team from all of the Group's business units. RMWG will manage the sustainability issues identified and report to the Risk Management Committee at the Board level. The Board of Directors will provide oversight of the Group's sustainability practices and is kept informed on the progress of sustainability related matters.

The Board of Directors is primarily responsible for the implementation and execution of the Group's sustainability practices and performances where it has delegated to the Risk Management Working Group the task of monitoring and assessment of sustainability plans and targets. The Risk Management Committee will set direction and focus to facilitate formulation of strategies for meeting sustainability missions and report to the Board on a quarterly basis on the status of sustainability related matters.

We will constantly review our approach in addressing the key sustainability challenges facing SCIB which affects the employee, customer, environment and society as a whole.

4.3

SCOPE OF THIS REPORT

This report covers the manufacturing operations of Sarawak Consolidated Industries Berhad and its subsidiaries in Malaysia and the construction/ EPCC operations in general which are the key driver and main contributors to the Group's revenue.

4.4

KEY STAKEHOLDERS' ENGAGEMENT

We recognised the importance of engaging with our stakeholders considering the great influence they have on a Company's performance. We are strengthening our stakeholders' engagement not only for good corporate governance purposes but also to enable us to understand our stakeholders' needs, interests and motivations more effectively and help us build positive and mutually beneficial long-term relationships with our prominent stakeholders that will improve our Company's brand image, reputation and business outcomes.

Our existing list of engagement activities are as follows:

KEY STAKEHOLDERS	NATURE OF ENGAGEMENT
Customers	Customer surveys and customer complaints
Employees	Monthly assembly, in-house briefing, staff recreational program, employee satisfaction surveys
Suppliers	Periodic meetings and visiting
Shareholders and Investors	Company website, Quarterly reporting, Annual General Meeting, Quarterly Analyst briefing
Bankers/Financiers	Periodic meetings
Government Agencies and Regulatory Authorities	Correspondences, trainings and social activities
Community	Corporate Social Responsibility activities

4.5

MATERIALITY ASSESSMENT

We conduct materiality assessment to help us determine and prioritise main focal areas where efforts are intensified. Though our preliminary process of identifying and prioritization of sustainability matters, we have broadly categorized the following key sustainability matters at this juncture, subject to further detailed assessment on the specific material matters.

Economic

Product and service quality

Stringent quality control of our finished products and value-added services are essential to maintain customer satisfaction and for maintaining brand image to attract new sales.

Corporate governance and risk management

Strong corporate governance and effective risk management system helps to improve the Company's financial stability and minimize risk of loss that will gain shareholders' confidence.

Brand and reputation

Branding improves recognition and represents people's perception of the Company's customer service and reputation. Branding also creates trust from the stakeholders, supports advertising, inspires employees, generates new customers and thus increases financial value.

Business Ethics

Application of ethical values in business environments helps the leaders to make strategic decisions that are socially acceptable. Business ethics increase employee retention, attract investors, promote customer loyalty, reduce business risks and lead to long term gains.

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 price and better margin.

4.5.1 MATERIALITY ASSESSMENT

Environmental

Investment in technology and Research and Development

Our investment in off-site precast manufacturing and prefabricated industrialised building systems reduces debris, waste and air pollution at site. Investment in research and development help us to continuously source for environment friendly manufacturing solutions.

Waste and energy management

Efficient waste management, recycling and energy saving programs help to protect the environment from further harm.

Social

Employee health, safety and welfare

Safe work places and practices reduces risk of accidents and injuries, claim cost and business interruptions. It will help improve corporate reputation and increase employee motivation. Healthy lifestyle and staff welfare will be conducive to enhance work commitments, increase productivity and reduce costs.

Human resource development

Continuous staff training and development are crucial to help improve staff competency, work efficiency, retain talents and attract new talents that will improve productivity and enhance overall company's financial performance.

Human rights - Fair employment and diversity

People are the key driver for business sustainability and the most valuable assets of a Company. Respecting and protecting human and labour rights help to promote a harmonious working environment and enhance corporate image for corporate success and economic growth.

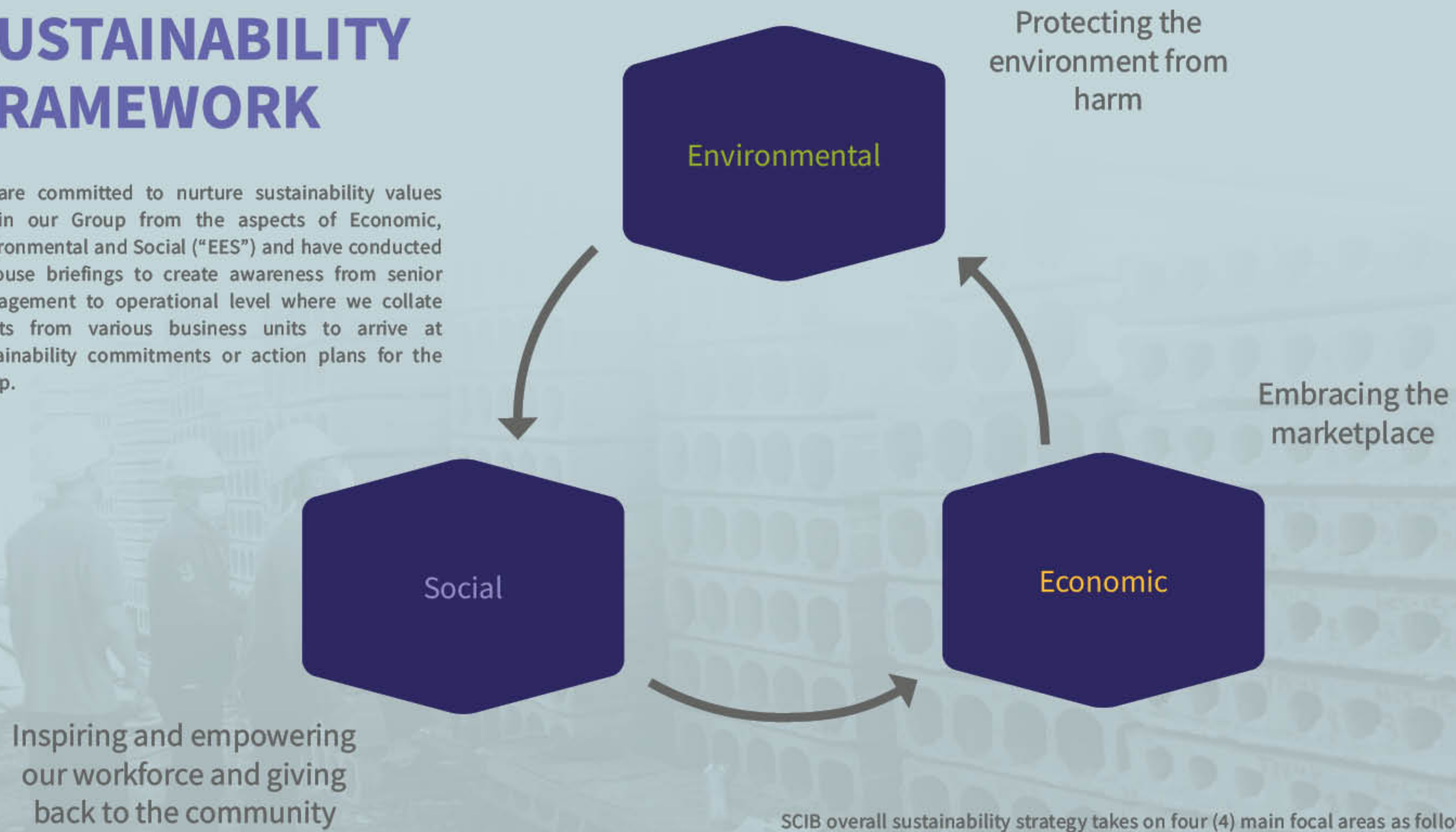
Community support

Social contributions to the community exhibit that we are responsible corporate citizen and are committed towards making a better future for our next generation that will also help enhance corporate image.

4.6

SUSTAINABILITY FRAMEWORK

We are committed to nurture sustainability values within our Group from the aspects of Economic, Environmental and Social ("EES") and have conducted in-house briefings to create awareness from senior management to operational level where we collate inputs from various business units to arrive at sustainability commitments or action plans for the group.



SCIB overall sustainability strategy takes on four (4) main focal areas as follows which drive the Group's sustainability direction and reporting processes:

(1) Embracing the marketplace;
(2) Protecting the environment from harm;
(3) Inspiring and empowering our workforce; and
(4) Giving back to the community

4.7

SOCIAL

Caring, inspiring and empowering the workforce

At the heartbeat of our operations, employees play a vital part in ensuring continuous excellence for SCIB. From a different perspective, we owe our workforce for the success the company has tasted all these years. We acknowledge this and that is why we value and care for their well-being, and aim to repay their dedication towards accomplishing the company's vision and mission by inspiring and empowering their lives and the lives of the people that depends on them.

Employee health, Safety and Welfare

Health and safety is given top priority in SCIB. We strive to provide a safe, healthy and quality working environment for our employees aiming at reducing accidents and injuries, improving workflow and efficiency. We recognise that a good health and safety environment are crucial to boost staff morale, retain and attract skilled employees, increase productivity and reduce costs.

HEALTH & SAFETY POLICIES AND PROCEDURES

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 programs. Among others, are the Noise Monitoring and Chemical Health Risk Assessment ("CHRA") undertaken at our factories in line with the requirements of relevant regulation enacted under the Occupational Safety & Health Act (1994).

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 Chemical Health Risk Assessment ("CHRA") review at our three factory premises to identify any chemicals that are potentially carcinogenic. The CHRA revealed that our workers are exposed to two major sources of health hazards namely the silica dust and benzene, used as additives in diesel.

However, based on CHRA, we are not required to send any workers for medical surveillance as workers' exposure to the chemicals are considered not significant.

Due to the Movement Control Order ("MCO"), our workers could not undergo audiometric tests in year 2020, but we have sent fifteen (15) workers who were exposed to high levels of noise and vibration at work to undergo the audiometric test in January 2021.

We continuously improve our factory premises and work sites via the established Health, Safety & Environment Management System ("HSEMS") that seek to provide a safe and healthy working condition for the prevention of injury and ill health.

Additionally, we have also established campaigns, banners, posters, brochures and signboards at prominent areas to disseminate Health and Safety messages to workers such as posters on Silica Dust Hazards were put up. We provide Personal Protective Equipment ("PPE") such as hand glove, safety boot, hard hat, face mask and ear plug to our workers and conduct regular inspection to ensure wearing of PPE.

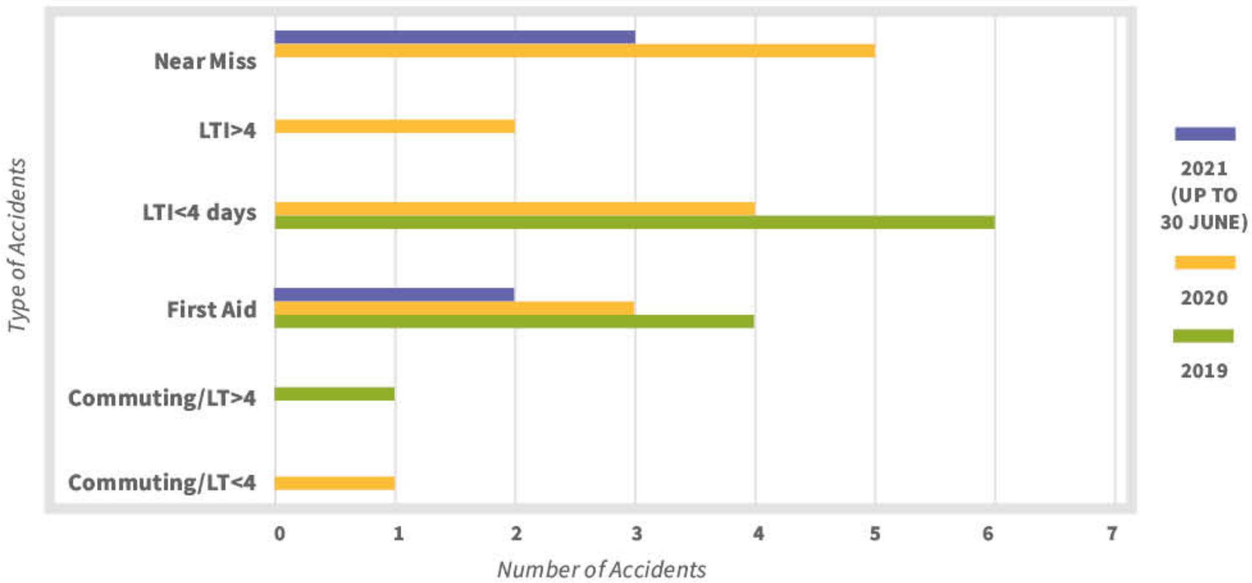
MONITORING OF LOST TIME INJURY (LTI) & ALL INJURY FREQUENCY RATE (AIFR)

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. We have also installed Safety Performance Board at the main entrance to monitor the Man-hour Accident Free target and the results of the Four Zeros are summarized as follows:-

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

We also recognize the importance of keeping tab of the near misses and accidents as such enable us to assess the hazards level at the workplace we operate. We started to capture data on near misses beginning year 2020 which helps us to identify the root causes of actual accidents before it happens and ultimately manages and reduces the overall risk of having a serious accident, lost time injuries and illnesses, or even fatalities. For the period ended 30 June 2021, we reported (8) eight near misses. The statistics of near misses and accidents for the period ended 30 June 2021 as compared to year 2019 is shown in the following chart: -

Incidents & Accidents Statistics



Further, we also monitor the All Injury Frequency Rate (AIFR) which provides an indication of the frequency of injury recorded compared against man-hours worked during the year. AIFR is calculated based on 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 week per year. In 2020, we recorded AIFR=2.36, a slight increase compared to AIFR=2.08 recorded in 2019. The increase is mainly due to lower manhours recorded in year 2020 due to the MCO in the months of March and April 2020. The average rate for two years is comparable to industry rate of 2.8 (manufacturing) and 2.6 (construction). For the first six months of 2021, AIFR=0.76 was recorded. Hence, the AIFR of 1.76 was recorded for the eighteen months ended 30 June 2021(source: https://sitemate.com).

HEALTH & SAFETY COMMITTEE

The Health & Safety Committee has been established to identify, evaluate and control safety 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 the safety practices. Workers are encouraged to express their safety and health concerns to the Committee where issues can be responded to and addressed accordingly. The meeting shall be held on quarterly basis. However due to restriction imposed during MCO, meeting for quarter 1 and quarter 2,2020 was held jointly on 23 July 2020; while the combined meeting for quarter 3 and quarter 4 was held on 17 December 2020. In 2021, a combined meeting for 1st quarter and 2nd quarter was held on 15 April 2021.

MITIGATING THE THREAT OF PANDEMIC, EPIDEMIC & OCCUPATIONAL DISEASES

As a responsible corporate citizen, we have responded to the Government's move in combating the spread of COVID-19 pandemic by complying with the various directives and standard operating procedure ("SOP") announced by the National Security Council ("NSC"), Ministry of Health ("MOH"), Ministry of International Trade and Industry ("MITI") as well as Sarawak Disaster Management Committee ("SDMC"). High risk personnel and workers or those identified to have close contacts with person who tested positive for COVID-19 have been asked to work-from-home; while for those categorized as Person-under-Investigation ("PUI") or travel quarantine were allowed to take paid leave for self-quarantine. The Company also facilitates free testing under the SOCSO scheme.

In compliance to MITI requirements for safer workplace during pandemic, we carry out daily screening of body temperature on visitors, workers and lorry drivers at the Guard House and those with temperature above 37.5°C were advised to go to the clinic for immediate health check. We also provide sanitizing dispensers at the entrance of the building, and conduct regular disinfection around the factories. Social distancing of 1 meter was enforced for meetings and resting arrangement; while entry to poorly ventilated areas such as toilets, pantry and prayer room is restricted to a number of people at any one time. Memo has been issued to ban handshakes or hugs between colleagues, as well as prohibition to visit high risk areas such as construction sites other than for our own projects.

4.7.4 SOCIAL

HEALTHY LIFESTYLE

In order to encourage our employees to adopt a healthy lifestyle we called for a Health talk to employees by Integrated Healthcare Medical Services Centre on 12-14 October 2020 at respective factories.

SCIB had always practiced promoting a healthier workforce by conducting various beneficial lifestyle sessions, including the meet-up session with Dr Amalia Madihie, Deputy Dean of Industry and Community Engagement, Faculty of Cognitive Science & Human Development, UNIMAS on 24 September 2021 who virtually shared with us the topics of mental health and stress management to raise mental health awareness in the workplace. We also had a great meet-up session with Dr. Mohd Nazrin Jamhari, a full-time doctor at Public Health Department, Ministry of Health, Malaysia on 29 October 2021, who virtually shared with the employees on the topics of Lifestyle Diseases that sum up various awareness about health, diseases, and lifestyle.

Due to the COVID-19 Pandemic, SCIB has suspended all social and recreational events in 2020 and 2021. However, in the preceding year, in 2019, we subsidised our employees to participate in Marathon, we organised Sports Day with games and activities to encourage our employees to have healthy fun and also sponsored Badminton club to support interested employees to play the sport twice a week.

SAFETY TALKS & TRAINING

Safety and health talks are conducted throughout the year and during monthly assembly by experienced staff to create awareness on the importance of personal safety and hygiene. An assembly on precautionary measures to combat the spread of COVID-19 was conducted on 12 May 2020 and we subsequently sent reminders and guidelines via emails. Further, we also organized a Safety talk during our Monday Assembly on 6 July 2020 where the topic covers on the Mandatory Use of PPE and Social Distancing in Office and Production during the Movement Control Order.

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 programs and training to further enhance their knowledge on health and safety at the workplace. Our safety supervisors also have regular Toolbox Meeting with our subcontractors' workers to highlight any Health, Safety and Environment related matters of concern.

Safety Induction Briefing for new hire was conducted on a quarterly basis and the latest was held on 30 July 2020 with the Topic entitled Safe Work Practices for New Hire. Courses conducted in 2020 included Internal Auditing with Process Approach Methodology, Basic Occupational First AID, CPR & AED Training, Ensure Health & Safety In Additive Manufacturing Facilities and Site Safety Supervisor .

Due to the COVID-19 Pandemic, the Company has implemented Standard Operating Procedures as per MITI requirements and as prescribed by the other relevant authorities for the factories and construction sites to comply. Assembly on precautionary measures to combat the spread of COVID-19 conducted on 12 May 2020. Subsequent reminders sent via emails.

4.7.5 SOCIAL

UPGRADE OF FACTORY FACILITIES AND INFRASTRUCTURES

We also progressively pursue upgrading of our factory facilities and infrastructures in order to provide a favorable working environment. We establish safe operating procedures for machineries and set up an emergency response team (ERT) in every factory. Our Health and Safety team are working closely with our Repair and Maintenance team to enhance our Planned Preventive Maintenance Programs to reduce 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 adequate Personal Protective Equipment.

4.7.6 SOCIAL

APPRECIATE OUR EMPLOYEES

In appreciation of our employees' efforts and contributions to SCIB we distributed delicious packed food on Labour's day and also on 29 July 2020 for our muslim employees in conjunction with Pre-Eid-Ul-Adha celebration.

We organised our first ever Town Hall on 15 February 2020 at Grand Margherita Hotel, Kuching for the purpose of engaging with our employees, sharing our important updates, culture and values promoting teamwork, collaboration and creating opportunity to hear honest feedback and views of employees.

We also extend our appreciation to our staff with long service awards, annual increments and bonuses as well as free gifts and lucky draws during our Annual Dinner on 8 March 2020.

Face masks and sanitizers were sponsored to employees' children for school reopening on 24 August 2020 through our "Sentuhan Kasih SCIB" CSR program.

True spirit of giving - Tabung SCIB

Tabung SCIB, established in 2003, is a true spirit of giving by all employees of SCIB on a monthly basis in which SCIB also contributes to the fund on a one-to-one basis. It is governed by staff representatives with the objectives to assist child education through offers of scholarships, to provide loans to employees during emergencies and to assist the less privileged. Cash rewards were also given to children of our employees who achieved excellent academic results in the school year end examinations as well as in public examinations such as UPSR, PMR and SPM. During the financial period ended 30 June 2021 under review, one hundred and sixty-four (164) children have benefited from Tabung SCIB.

SCIB Annual Dinner - 8 March 2020

SCIB Town Hall meeting - 15 February 2020

SCIB Town Hall meeting - 15 February 2020

4.7.7 SOCIAL

HUMAN RESOURCE DEVELOPMENT

We ensure that there are growth, development and progression opportunities for our employees through in-house training, seminars, workshops and talks. This will equip them with the latest job-related updates and learning. A total of 291 employees have benefited from the sixty (60) training both internal and external conducted over the year which is equivalent to around 543 training hours.

We also provide the opportunity of department rotation to our employees where they are able to expand their knowledge, experience and expertise in various job scopes. During the 18 months financial period ended 30 June 2021, seventeen (17) employees were promoted and thirty-seven (37) employees were transferred to other departments or job functions for further development.

We shall have our competency and succession program developed for key and critical positions and will assess job requirements and skills of our existing employees and then identify potential candidates to be coached, nurtured and groomed for succession to these key and critical positions with career development plan and training needs analysis.

We are committed to providing educational opportunities to our employees. Financial aids have been provided to our employees to support their quest for further education learning. The Company also offers educational assistance and career development plans to employees helping them earn professional degree/master qualification for job enhancement. For the 18 months financial period ended 30 June 2021, three (3) employees benefited from the educational assistance.

Face masks and sanitizers donation to school in August 2020

Year end gifts to the children of SCIB employees from Tabung SCIB in December 2021

Chinese New Year celebration in February 2020

4.7.8 SOCIAL

HUMAN RIGHTS - FAIR EMPLOYMENT AND DIVERSITY

We treat everyone including our employees, customers, suppliers with respect and integrity and ensure we protect our employee rights at all times adhering to local regulations and 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 20% of our total employees being female as of 30 June 2021.

As of 31 December 2020, we have conducted employee surveys which reached out to around 28% of total employees and out of which 96% have responded and are satisfied working in SCIB.

GIVING BACK TO THE COMMUNITY

We believe that companies live within the community and they are interdependent of one another.

Community support - SCIB Volunteers

In response to the COVID-19 crisis, we sponsored essential face masks and sanitizers through our "Sentuhan Kasih SCIB" CSR program to public schools for school reopening namely two Sekolah Daif in the Bau District. About 234 students have benefitted from this.

SCIB had jointly organised the Blood Replenishment Campaign with the Malaysian Red Crescent Sarawak and the Sarawak General Hospital Blood Bank. This event was successfully held on 16 September 2020 in conjunction with Malaysia Day. The objective of this event is to create public awareness about blood donation and address the blood shortage at the Sarawak General Hospital. We managed to receive a total of 73 registered donors and 53 successful donors.

In 2021, SCIB once again organized the Blood Donation Drive program with the Sarawak General Hospital Blood bank in conjunction with Malaysia day on 16 September 2021 to create awareness about blood donation and address the blood shortage at the Sarawak General Hospital, settling standards of SCIB's culture to give back to the community where SCIB sponsored goodies bags for the first 100 successful donors. The Blood Donation Drive Program was held at the Department of Transfusion Service and Blood Bank of Sarawak General Hospital and we managed to register 125 successful donors.

On 10 May 2021, SCIB's subsidiary SCIB Industrialised Building System Sdn Bhd. ("SIBS") had organised a CSR event with its Joint Venture partner in the Terengganu roadwork maintenance concession, Sasoakai Resources Sdn. Bhd. ("SRSB") to support the Communities affected by the COVID-19 pandemic in Pulau Redang. where SCIB sponsored RM10,000 worth of basic needs to the asnaf families in the villages located around Pulau Redang, who are badly affected by the pandemic.

In ramping up our momentum in aiding those in need, on 2 September 2021, SCIB CSR group is driven under the demonstration of sharing love and "sadaqah jariyah" to 51 underprivileged anak-anak asnaf from the Pertubuhan Kebajikan Dan Pendidikan Nur Murni in the holy month of Ramadan. The delivered items include the "Takeaway Sungkey Juadah", childrens' towel, grown-up and children's veils, sanitizers, and some duit Raya, to lighten their burden amid the COVID-19 pandemic during the Raya festive celebration. We practice strict SOP throughout the entire event to ensure the safety of participants is adequately guarded.

Training for tomorrow

Throughout 2020 and as of 30 June 2021, SCIB provides industrial training for 43 undergraduates from local institutions of higher learning in the areas of Production, QSHE, R&M, IT, Admin, Account, Business development and Project sites for duration between 2 to 6 months. We believe that these young students are the future of manufacturing and construction industry in Malaysia and our training program gives them learning opportunities and insights into the industry to improve their practical knowledge and field exposure.

On 16 November 2020 we signed a Memorandum of Understanding with the Manpower Department (JTM) under the Human Resources Ministry (MoHR) to collaborate with University/ College in providing Industrial Internship program and to launch an internship programme, training development program to promote human capital and expertise sharing.

In year 2019, on 2 October 2019, SCIB inked a Memorandum of Understanding with Akademi Binaan Malaysia and CIDB Malaysia to collaborate in providing training to CIDB registered contractors in Malaysia to create awareness of the Industrialised Building System in Malaysia's construction industry.

4.7.9 SOCIAL

Donation to communities affected by COVID-19 Pandemic in Pulau Redang - 2 September 2021

Blood Replenishment Campaign for Sarawak General Hospital - 16 September 2020

Donation of used desktop computers - 12 March 2021

Donation to underprivileged children - 10 May 2021

Face masks and sanitizers donation to school in August 2020

4.8

ENVIRONMENTAL

Protecting the environment from harm

The well-being of our people means nothing if the well-being of the place we all live in is not taken care of. SCIB recognises the importance to conduct operations that will not bring negative impact on the environment because we understand that our business is a part of life that correlates to the well-being of the surrounding area we operate in. It is our sincere intention to give our best efforts to portray the company as an environmentally responsible corporate citizen.

Waste and energy management

PURSUING ISO CERTIFICATION

We are also committed to answer society's ever-louder call for greater corporate responsibility in managing the environmental impact operations may exert on the environment surrounding the factories. Since our factories are closely located to major water bodies such as rivers, we are doing our best to ensure that the water discharged from our premises has characteristics that is always within the tolerable limit permissible by relevant statute, and in particular the Environmental Quality Act 1974.

Our investment in off-site precast manufacturing and prefabricated industrialised building systems contribute positively towards sustainability inherently considering that it reduces debris, waste and air pollution at site. Furthermore, our operations do not discharge excessive or harmful dust or smoke into the air.

4.8.1 ENVIRONMENTAL

Environmental Quality Monitoring Program

Beginning the year 2020, SCIB has 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 and 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 which are not subject to Environmental Impact Assessment (EIA) Approval Conditions. Several key areas are covered in the programme such as air quality, noise and discharged water quality. We measure and monitor based on the parameters as summarised in the following table.

Stack Monitoring - Chimney for Boiler Room

	RESULT FY2021 (Ended 30 June 2021)
Must not exceed the permissible limit < 0.15g/Nm3	Achieved 0.05g/Nm3

Environmental care efforts undertaken at our construction site.

Flood Control at Factory Premises and Construction Sites

Controlled earthworks and flood mitigation controls in construction projects is vital in order to prevent flooding of the surrounding low-lying areas near the project sites. Hence, controlled earthworks and effective Flood Mitigation Controls including adequate earth drainage and detention ponds, have been implemented to control the flow of rainwater. We did not record any case of severe flooding at our construction sites for financial period ended 30 June 2021.

Our factory premises, being at the proximity of a river mouth have to cope with seasonal King Tide phenomenon, were largely unaffected for the period even though we have seen water level substantially rising due to the combined effects of sea water rising and heavy rainfalls towards the end of the year. Efforts are ongoing to improve the drainage system within our factory premises to facilitate smooth flowing of rain water during heavy downpour, which would mitigate against the risk of flash flood.

Air Quality Control at Factories and Construction Sites

Open burning is not allowed at our factory premises and construction sites. We do not permit open burning at work sites to prevent smoke pollution, which may escalate into haze hazards and add to the carbon dioxide emissions while maintaining the atmospheric air quality of the surrounding areas. It is also a precaution against potential fire hazards which may be caused by out-of-control open burning.

By controlling dust pollution at factory premises and work sites, such would reduce air pollution. Workers regularly sprinkle water onto the ground on dry days to control airborne particles which affects visibility as well as reduce the air quality for breathing. Our cement silo has a filter system that is regularly maintained to avoid accidental discharge of cements to the atmosphere.

Water Quality Control at Factories and Construction Sites

We will monitor the water discharge from the factory that may be contaminated and install proper drainage, filters or oil traps that the local authorities have recommended.

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

Reducing the environmental effects on construction sites requires a collaborative effort, so site supervisors and all workers including the sub-contractors must understand the responsibility to protect the environmental.

Control of Emission for Carbon Footprint and Ozone Depleting Substances

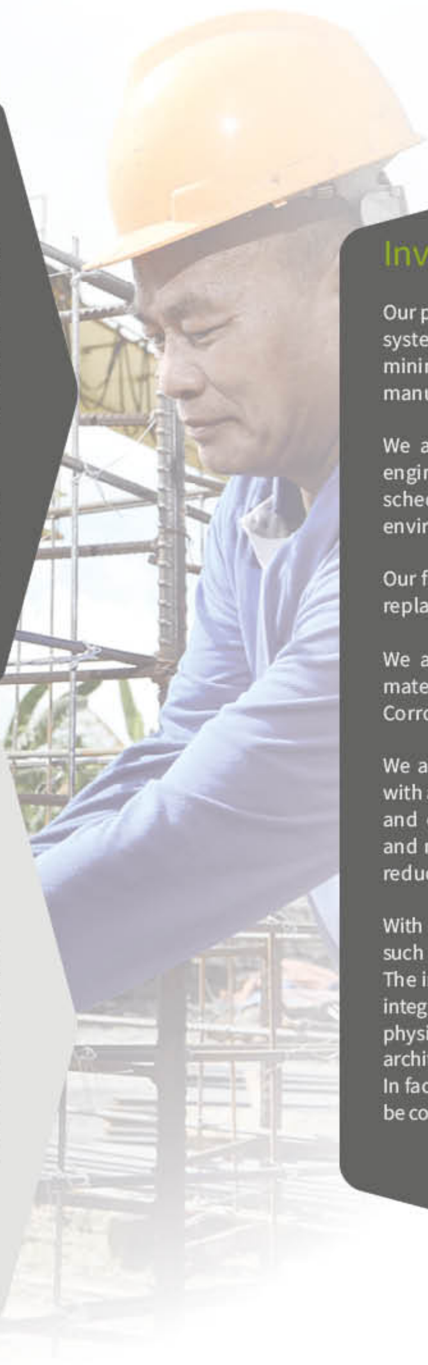
We are committed to adopt the Kyoto Protocol/Paris Agreement (2016) Emission of GreenHouse Gases ("GHG") to monitor, mitigate and report periodically the on-site greenhouse emission which correlates with energy efficiency, the emissions from the use of company-owned or leased vehicles and from the raw material generation, transports, wastewater treatment, creation of company infrastructure and employee commuting. All these are now included in the SCIB Carbon Footprint Calculator Version 1.0, which enables us to track the emission of carbon dioxide ("CO2").

As for Ozone Depleting Substances ("ODS") which are chemicals that destroy the earth's protective ozone layer such as chlorofluorocarbon ("CFC"), hydrochlorofluorocarbon ("HCFC"), 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, while use of Clorox for disinfection and sanitization is known to be non-hazardous to the ozone.

To the extent where it is possible, the use of environmentally friendly plants and machinery is preferred at our factory premises and work sites. Efforts are ongoing to replace old plants and machineries with latest technologies that emit less carbon to the environment once deployed in our operations.

For a start, we are reviewing our rental policy and begin to engage with suppliers on the importance of sustainability related matters and will move towards suppliers who provide environmental friendly combustion engines to power their plant and machineries.

4.8.3 ENVIRONMENTAL



Recycle of waste

We recycle waste materials back to production if they are reusable otherwise, we sell to scrap collectors who might be able to use them. We are also improving our drainage system to dispose of production slurry more appropriately and effectively. We have implemented proper disposal of Solidified Slurry Waste program as community service at zero disposal cost where the slurry wastes are self-collected by transporters and used for land filling etc.

Last year in August 2019, SCIB participated in the Recycle Waste program known as the Coral Reef Propagation Project in collaboration with the Jabatan Perikanan Malaysia for laying of our obsolete or defect pipes and U-culverts outside the Sematan sea area.

Training and awareness program

We have conducted several trainings 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 “Safety in Scheduled Waste Handling & Storage” carried out in January 2020 and attended by fifteen (15) designated ‘scheduled waste controllers/ handlers’ trained for proper method of collection, storage, spillage and disposal of scheduled waste. During the year, thirty First Aiders were sent for training to ensure they have basic skills and keep up to date with the first-aid procedures.

Investment in Technology and Research & Development

Our precast concrete are factory-made products under stringent ISO accredited procedures and quality systems. We employ quality plants and machineries such as batching plant technology which create minimal wastages. We also conduct research and development to find supplemental materials in manufacturing to reduce cement consumption such as the use of admixtures as hardening accelerators.

We are now looking into designing and construction of more effective slurry pits as additional engineering control against transmission of harmful pollutants to the environment and will conduct scheduled checks to ensure that water discharged are close to PH neutral and less harmful to the environment.

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

We also collaborated with local university namely UNIMAS in their Research project on building materials by giving advisory support ie. research development project on “Permanent Formwork cum Corrosion-Retrofitting panel” from 1 Dec 2019 to 30 Nov 2020.

We are exploring Green design which involves 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 to consider environmental effect and energy efficiency in building design and material purchasing criteria. We will establish an open communication with our suppliers about reducing the environmental impact and improving social conditions throughout the supply chain.

With the development and evolution of IR 4.0, our management team has explored digital approaches such as 3D-printing technology to transform our existing supply chain into a digital value network system. The integrated 3D-printing architecture is a new emerging technology in the construction industry as the integrated 3D-printing architecture is able to build and imitate the building concepts model into an entire physical structure by integrating the design, construction, equipment, new materials and application to the architecture within a short period of time without incurring high cost comparing to the traditional method. In fact, we have acquired 3D the modular construction printer from COBOD, Denmark which is expected to be commissioned and running by Year 2022, subject to the COVID-19 situation.

4.8.4 ENVIRONMENTAL

Save the trees

We have invested in our information technology system to reduce the usage of paper in our daily operations and also practice recycling paper waste.

We are promoting paperless office through digitalization of information such as our investment in the New Human Resource system, digitalization of meeting papers which are expected to be implemented by first quarter year 2022.

Save energy

We encourage employees to switch off non-essential electrical machinery, equipment and appliances when not in use.

4.9

ECONOMIC

Embracing the marketplace

When our people and the environment we work in are secured and taken care of, then only a company like us can really focus and go full throttle in pursuit of our goals. Through diversification, we are now capable of providing our customers with a wider range of products and services, while through synergies, we have managed to penetrate the global market. With our belief to uphold ethical, sustainable and responsible business practices, our commitment to economic sustainability has seen us progress into uncharted territories whilst opening up unexpected opportunities.

Better products and services

All of our products are SIRIM QAS ISO9001:2015 certified/credited. This is the best quality assurance for both our existing and potential customers to rely on when they work with us.

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

Our understanding of the importance of technological advancement has seen us continuously pursue product innovation to develop and introduce new products, and new designs that enhance quality and improve overall performance. To make sure our optimism is not one sided, we also conduct surveys on a project basis to help keep a good relation with our customers by understanding their needs and demands, and also get first hand feedback on our products or services.

In 2020, SCIB has expanded its construction segment with a new business model EMCC for Engineering, Manufacturing, Construction and Commissioning where we want to position SCIB as a one stop integrated provider in civil construction and to achieve the synergies between the core business of precast concrete manufacturing and construction works. SCIB had through its subsidiary, SCIB Industrialised Building System Sdn. Bhd. ("SIBS") successfully obtained CIDB Contractor's license G7, Sijil Taraf Bumiputera ("STB") license, Perbendaharaan Malaysia Sarawak (MOF) License, Sijil Perolehan Kerja Kerajaan("SPKK") license or the Government Work Procurement Certificate license to qualify the company as a Bumiputera contractor to undertake local construction projects as required for project tenders.

To sharpen our construction capability by pursuing qualification and licenses required to become a full-fledged construction player. We have identified 3 of our wholly owned subsidiary companies namely SIBS, SCIB Properties Sdn. Bhd. ("SCIBP") and SCIB Infraworks Sdn. Bhd. ("SCIBI") under the Construction division and each company shall be assigned/ equipped with proper license, specialization codes, Bumiputra status license, ISO certification and other relevant accreditations.

Furthermore, in October 2019, our Group entered into an agreement with Edaran Kencana Sdn Bhd for the construction of main building works, Phase 1 Package C of independent utility facility at Pengerang, Johor to support the local oil & gas industry. Such synergy has enabled us to leverage and participate in job tendering in Malaysia moving forward.

SCIB had incorporated a subsidiary Company in February 2021 named SCIB LW System Sdn. Bhd., holding 70% ownership for the purpose of supplying and installations of prefabricated lightweight system products including but not limited to carrying out EPCC. The light weight system plant installation was completed in July 2021 to produce the IBS light weight steel frame wall panel, steel roofing truss and form concrete light weight block. Targeted customers are the building developer, contractor and Sekolah Daif Sarawak.

On 30 August 2021, SCIB had completed an acquisition of a wholly-owned subsidiary company named Kencana Precast Concrete Sdn. Bhd. for the purpose of exploring the business opportunities in Peninsular Malaysia.

SCIB has acquired the 3D-printing technology from COBOD, Denmark which has arrived in the middle of September 2021. Currently, undergoing installation, commissioning and trial run. Expected to launch the products by Year 2022. After successful commissioning the printer, SCIB will demonstrate this latest technology by putting up a mock up 3D printed house at CIDB Malaysia to promote this technology to relevant authorities and Public.

SCIB will be investing and introducing Artificial Intelligence Pothole Detection System ("AIPODS") technology, a road monitoring system, utilizing the artificial intelligence to detect road defects, to assist the JKR road maintenance works. This technology is able to identify defects in real time, where GPS accurately mark the location of defect.

4.9.1 ECONOMIC

Corporate Governance and Compliance

We are committed to achieve good corporate governance and code of conduct with a high level of transparency and ethical integrity in dealing with various stakeholders via various communication channels such as regular meetings, timely disclosure to Bursa Malaysia Securities Berhad, annual general meeting and annual report.

Our Board of Directors oversee the conduct of the Company's business providing governance of the Company's affairs and direction to optimise the development, growth and performance of the Group.

We adopt effective risk assessment and management systems that are evaluated every quarter of the year where we ensure adequacy and integrity of the Company's internal control system are in place to manage the risks identified with a view to long term viability of the company in consideration of economic, environmental and social impacts.

Taking cognizance of the introduction of Corporate Liability in the recent amendment to the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009), which became effective since 1st June 2020, the Company has taken proactive actions to ensure that it has adequate procedures in place designed to prevent associated persons from undertaking conduct that would trigger the newly introduced Section 17A of the MACC Act, 2009.

We also published our ABAC tagline,

"Arrest Corruption and Enhance Productivity",

as a statement on banner, poster and Corporate website. We have our continuous Anti Bribery Anti Corruption ("ABAC") training and awareness program. First ABAC awareness program conducted during the Townhall event on 15 February 2020, attended by all employees. We have on-going ABAC refresher briefing conducted during monthly assembly subject to the Pandemic situations. We conducted a refresher program through Webinar in January 2021.

4.9.2 ECONOMIC

Brand and reputation

PRESS RELEASE

We use press releases to help our customers, suppliers, employees, investors and other target stakeholders to learn more about our Company's recent developments, successes and advancements which is also an integral marketing tool to increase sales potentials and attract investors. During the 18 months period ended 30 June 2021, the Company distributed press release in regards to the Company accepting letters of award and acceptance for EPCC contracts and corporate responsbility events. We also issued press release together with our announcement of quarterly financial results and our corporate exercise ie. private placement, issuance of bonus shares and warrants following the resolutions being passed at the EGM.

MARKET BRIEFING

Market briefing creates a valuable opportunity 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. We had our market briefing on quarterly basis or as and when required which gave us the opportunity to share about our business profile, products, recent developments and future prospects with research analysts, fund managers and their sales team. In 2020 and 2021, we conducted group briefing on 3 March 2020 and subsequently one-to-one/ small group briefing by way of online meetings on 28 April 2020, 26 June 2020, 24 July 2020, 3 September 2020, 27 November 2020, 26 February 2021, 21 April 2021, 14 October 2021 just to name a few.

CORPORATE IMAGE

We have also revamped our corporate website to give a refreshing new interface with stakeholders and enhance the website credibility and efficiency for a better navigation experience. We have launched our first ever Corporate Video on 8 March 2020, which is simply an effective communication to promote and raise awareness about our Company's business, background and key milestones.

4.9.3 ECONOMIC

Business ethics

We have our Code of Conduct policies in place which serve as a central guide and reference for our employees to handle their day-to-day decision making and business dealing. We have implemented adequate Anti-Corruption procedures and policies effective 1 April 2020 in line with our Government efforts to combat bribery and whistleblowing policies to promote transparency, compliance and ethical value.

Supply chain and procurement

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

SCIB deals with a good and reliable diverse set of suppliers to ensure high quality of materials are used for production. We have our Quality Assurance team who are consistently checking and inspecting our materials to ensure they meet desired quality standards. We evaluate our suppliers once a year in terms of quality, pricing and services.

4.10

SUSTAINABLE DEVELOPMENT GOALS

With our commitment in achieving sustainable development, we have undertaken initiatives in order for us to reach our goals. Our Sustainable Development Goals ("SDG") set mirrors our dedication in conducting a safe, healthy and environmentally friendly business for our workforce and workplace, at home or abroad, including the sites we are working on but with extra emphasis on the environment.

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

These initiatives are seen as our responsibility to portray the company as an organisation that operates in a way that recognises the central role that businesses play in improving the quality of life for a community.

Employment decent work for all and social protection

To support our growth, we continue to work on shaping our people's safety through continuous Safe Workplace Initiatives. Improving factory premises and working sites via the established Health, Safety & Environment Management System ("HSEMS") that seek to provide a safe and healthy working condition for the prevention of injury and ill health.

We have also established performance indicators for the HSEMS known as the Four Zeros consisting of Zero Lost time Injury ("LTI"), Zero Fatality, Zero Environmental contamination and Zero regulatory violation. LTI is used as a key performance indicator to measure work safety. We have also installed a Safety Performance Board at the main entrance to monitor the Man-hour Accident Free target.

On 13 May 2020, SCIB's subsidiary company was awarded the SIRIM ISO 45001:2018 OH&S System certification.

Other initiatives include Safety talk conducted during Monday Assembly, Safety Induction Briefing for New Hire. Due to the COVID-19 Pandemic, our Health & Safety & Environment (HSE) department has implemented Standard Operating Procedures as per MITI requirements. Assembly on precautionary measures to combat the spread of COVID-19 conducted on 12 May 2020. Subsequent reminders sent via emails.

In order to encourage our employees to adopt a healthy lifestyle we called for a Health talk to employees by Integrated Healthcare Medical Services Centre on 12-14 October 2020 at respective factories.

Industry, innovation & infrastructure

Technology and skilled employees have helped SCIB adapt to changing market situations and adjust to the fundamental changes of a modern working world. As we prepare our infrastructure for further growth, we put a special focus on digitalisation, and we provide a work environment that fosters agile thinking, creativity and interaction. Encouraging them to be versatile and adaptable while we support their well-being.

With the development and evolvement of Industrial Revolution 4.0, our management team has explored digital approaches such as 3D-printing technology to transform our existing supply chain into a digital value network system. The integrated 3D-printing architecture is a new emerging technology in the construction industry as the integrated 3D-printing architecture is able to build and imitate the building concepts model into an entire physical structure.

In fact, we have acquired a 3D and modular construction printer from COBOD, Denmark which is expected to be commissioned and running by Year 2022, subject to the COVID-19 situation.

Sustainable Cities & Communities

Our investment in the Industrialised Building System has so far managed to improve the speed of construction, reducing site costs and time due to off-site manufacture, less cleaning and clearing of construction debris, less exposure to stolen steel bars at site and reduced waste and debris on site. Helping to ease the public's concern on poor air quality in the neighborhood surrounding the construction site.

We have also jointly organised a Blood Replenishment Campaign with the Malaysian Red Crescent Sarawak and the Sarawak General Hospital Blood Bank. This event was successfully held on 16 September 2020 in conjunction with Malaysia Day and we managed to receive a total 73 registered donors and 53 successful donors.

In 2021, SCIB once again organised the Blood Donation Drive Program on 16 September 2021, in collaboration with the Sarawak General Hospital Blood Bank. The event was to create awareness about the blood donation and address the blood shortage at the Sarawak General Hospital. We managed to register 125 successful donors.

In response to the COVID-19 crisis, we sponsored essential face masks and sanitizers through our "Sentuhan Kasih SCIB" CSR program to public schools for school reopening namely two Sekolah Daif in the Bau District. About 234 students have benefitted from this.

In terms of tackling the global challenge in youth employment, SCIB have provided industrial training to undergraduates from local institutions of higher learning and also collaborated with University/ College in providing Industrial Internship programs. With plans to sign an MOU with the Manpower Department (JTM) under the Human Resources Ministry (MoHR) to launch an internship programme, Training Development Program Human Capital and Expertise Sharing.

Responsible Consumption and Production

As engineers and as a part of our corporate social responsibility, we have always been on our front foot when it comes to seeking and creating new and innovative solutions in order for us to play a part in protecting the world for future generations.

Our precast concrete are factory made products under stringent ISO accredited procedures and quality systems. We employ quality plants and machineries such as batching plant technology which create minimal wastages, recycling waste materials back to production if they are reusable.

During the year 2020, SCIB has 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 ensure the air and water quality of the surrounding environment in which the business operates remains ethically positive.

Currently, we are exploring Green design which involves the creation of energy-efficient products and systems with a light footprint on the environment .

4.10.2 SUSTAINABLE DEVELOPMENT GOALS

Peace, Justice and Strong Intuitions

Corporate Governance

The Company has taken proactive actions to ensure that it has adequate procedures in place designed to prevent associated persons from undertaking conduct that would trigger the newly introduced Section 17A of the MACC Act, 2009. We also published our ABAC tagline, "Arrest Corruption and Enhance Productivity", as a statement on banner, poster and Corporate website.

(This Sustainability Statement is made in accordance with a resolution of the Board of Directors dated 11 January 2022)

5

FINANCIAL STATEMENTS

DIRECTOR'S REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period ended 30 June 2021.

Principal Activities

The Company is principally engaged in investment holding, provision of management services, engineering, procurement, construction and commissioning. The principal activities of the subsidiaries are set out in Note 5 to the financial statements

Change Of Financial Year End

During the current financial period, the Company changed its financial year end from 31 December to 30 June. The Company hereby presents their eighteen (18) month financial statements from 1 January 2020 to 30 June 2021.

Results

	THE GROUP (RM)	THE COMPANY (RM)
(Loss)/profit for the financial period	(4,209,213)	14,848,571
(Loss)/profit attributable to:-		
Owners of the Company	(4,187,910)	14,848,571
Non-controlling interests	(21,303)	-
	(4,209,213)	**14,848,571**

Dividends

The Company paid the following dividends since the end of the previous financial year:-

	THE COMPANY (RM)
First interim single tier dividend of 2.30 sen per ordinary share on 122,632,500 ordinary shares, declared on 27 August 2020 and paid on 30 September 2020 in respect of financial period ended 31 December 2020.	2,820,548
Second interim single tier dividend of 3.00 sen per ordinary share on 122,632,500 ordinary shares, declared on 26 November 2020 and paid on 29 January 2021 in respect of financial period ended 31 December 2020.	3,678,975
Third interim single tier dividend of 1.90 sen per ordinary share on 490,530,000 ordinary shares, declared on 25 February 2021 and paid on 30 March 2021 in respect of financial period ended 31 December 2020.	9,320,070
	15,819,593

The directors do not recommend the payment of any final dividend for the financial period ended 30 June 2021.

Reserves And Provisions

All material transfers to or from reserves or provisions during the financial period have been disclosed in the financial statements.

Issues Of Shares And Debentures

During the financial period, the Company increased its issued and paid-up share capital from RM85,913,168 to RM152,268,754 by way of:-

(a) a private placement exercise of up to 42.8% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016. On 16 June 2020, the Company has completed the private placement exercise, in which the Company has issued 36,750,000 new shares with an issue price of RM1.82 per placement share;

(b) issuance of 367,897,500 new ordinary shares from the subdivision of every 1 existing shares into 3 bonus shares on 31 December 2020; and

(c) issuance of 80,000 ordinary shares from the conversion of warrants at the conversion price of RM1.77 per share on 16 March 2021.

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

Save as above, there were neither changes in the issued and paid-up capital of the Company, nor issuances of debentures by the Company, during the financial period.

Options Granted Over Unissued Shares

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

Warrants B

On 16 February 2021, the Company issued 245,264,997 Warrants B pursuant to the renounceable right issue on the basis of 1 free Warrant B for every 2 existing ordinary shares held by the entitled shareholders of the Company.

The Warrants B are constituted by the Deed Poll dated 14 January 2021.

Salient features of the Warrants B are as follows:-

(a) Each Warrants B shall entitle its registered holders to subscribe for one (1) new ordinary share in the Company at an exercise price of RM1.77 per Warrant B during the 3-year period expiring on 8 February 2024 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll;

(b) At the expiry of the Exercise Period, any Warrants B which have not been exercised shall automatically lapse and cease to be valid for any purposes; and

(c) Warrant holders must exercise the Warrants B in accordance with the procedures set out in the Deed Poll and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

During the financial period, 80,000 of the Warrants B were exercised into new ordinary shares of the Company.

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 impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Current Assets

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

Current Assets (Cont'd)

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

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:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

No contingent 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 period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due, except as disclosed in the financial statements

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 which 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 during the financial period 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 period 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 financial period in which this report is made.

Directors

The names of directors of the Company who served during the financial period and up to the date of this report are as follows:-

Rosland Bin Othman
Shamsul Anuar Bin Ahamad Ibrahim
Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah
YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak
YBhg. Datu Haji Soedirman Bin Haji Aini
Haji Abdul Hadi Bin Datuk Abdul Kadir
Sr. Mohd Nazri Bin Mat Noor *(Appointed on 31.1.2020)*

The names of directors of the Company's subsidiaries who served during the financial period and up to the date of this report, not including those directors mentioned above, are as follows:-

Chai Tze Khang
Mohd Ariff Bin Abd Samat
Seah Boon Kee *(Appointed on 26.02.2021)*
Seah Boon Tiat *(Appointed on 26.02.2021)*
Syed Ahmad Anas Bin Syed Omar *(Appointed on 28.04.2021)*
Rashidi Bin Jamani *(Appointed on 20.04.2021)*

Directors' Interests

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial period in shares of the Company and its related corporations during the financial period are as follows:-

	NUMBER OF ORDINARY SHARES IN THE COMPANY						
	At 1.1.2020	Additions	Warrants Exercised	Private Placements	Bonus Issue	Disposals	At 30.6.2021
Rosland Bin Othman	3,685,585	2,282,600	-	5,750,000	27,956,955	(17,775,700)	21,899,440
Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	40,820,055	5,873,800	-	6,100,000	131,760,165	(3,000,000)	181,554,020
YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	40,000	160,000	80,000	-	195,000	(5,000)	470,000
YBhg. Datu Haji Soedirman Bin Haji Aini	-	12,000	-	-	12,000	(4,000)	20,000

	NUMBER OF WARRANTS B IN THE COMPANY				
	At 1.1.2020	Additions	Exercised	Disposals	At 30.6.2021
Rosland Bin Othman	-	19,081,920	-	(18,016,500)	1,065,420
Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	-	87,840,110	-	(54,506,778)	33,333,332
YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	-	245,000	(80,000)	(45,500)	119,500
YBhg. Datu Haji Soedirman Bin Haji Aini	-	6,000	-	-	6,000

The other directors holding office at the end of the financial period had no interest in shares of the Company or its related corporations during the financial period.

Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 31(b) to the financial statements.

Neither during nor at the end of the financial period was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Remuneration

The details of the directors' remuneration paid or payable to the directors of the Company during the financial period are disclosed in Note 30(a) to the financial statements.

Indemnification Of Officers

There was no amount of indemnity given or professional indemnity insurance effected during the financial period, or since the end of the financial period for the officers of the Company.

Indemnification Of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Nexia SSY PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Nexia SSY PLT during the financial period and up to the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

Significant And Subsequent Events

The significant and subsequent events are disclosed in Note 36 to the financial statements.

Auditors

The auditors, Nexia SSY PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 24 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 December 2021.

Rosland Bin Othman

Shamsul Anuar Bin Ahamad Ibrahim

5.2

STATEMENTS OF FINANCIAL POSITION At 30 June 2021

		The Group		The Company	
	NOTE	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	36,476,047	36,800,039
Investments in an associate	6	302,548	-	-	-
Property, plant and equipment	7	28,421,793	26,122,088	1,172,305	20,761
Right-of-use assets	8	17,833,843	18,078,457	4,890,353	5,122,969
Other assets	9	-	6,189,520	-	6,189,520
		46,558,184	50,390,065	42,538,705	48,133,289
CURRENT ASSETS					
Inventories	10	25,103,477	24,419,891	-	-
Trade receivables	11	608,137,543	30,901,043	67,082,549	4,434,561
Other receivables, deposits and prepayments	12	43,038,327	1,153,864	5,243,208	72,678
Contract assets	13	1,069	199,486	-	199,486
Amount owing by subsidiaries	14	-	-	52,598,834	13,076
Current tax assets		-	10,075	-	963
Fixed deposits with licensed banks	15	20,675,141	561,558	20,507,084	398,558
Cash and bank balances		18,346,075	8,473,046	310,853	178,606
		715,301,632	65,718,963	145,742,528	5,297,928
TOTAL ASSETS		**761,859,816**	**116,109,028**	**188,281,233**	**53,431,217**

The annexed notes form an integral part of these financial statements.

5.2.1 STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2021 (CONT'D)

			The Group		The Company
		30.6.2021	31.12.2019	30.6.2021	31.12.2019
EQUITY AND LIABILITIES	**NOTE**	**RM**	**RM**	**RM**	**RM**
EQUITY					
Share capital	16	152,268,754	85,913,168	152,268,754	85,913,168
Foreign exchange translation reserves	17	(45,188)	98	-	-
Accumulated losses		(53,920,051)	(33,912,548)	(38,106,746)	(37,135,724)
Equity attributable to owners of the Company		98,303,515	52,000,718	114,162,008	48,777,444
Non-controlling interests	5(a)	68,727	-	-	-
TOTAL EQUITY		98,372,242	52,000,718	114,162,008	48,777,444
NON-CURRENT LIABILITIES					
Other payables	18	181,350	186,984	45,215	39,351
Bank borrowings	19	15,904,076	18,867,592	-	-
Lease liabilities	20	859,978	732,436	27,149	78,790
		16,945,404	19,787,012	72,364	118,141
CURRENT LIABILITIES					
Trade payables	21	595,829,620	24,040,557	67,082,550	3,937,837
Other payables and accruals	18	11,971,906	2,418,756	2,920,972	395,589
Contract liabilities	13	1,529,825	36,514	-	-
Amount owing to subsidiaries	14	-	-	457,553	169,804
Bank borrowings	19	26,697,534	17,413,112	-	-
Lease liabilities	20	573,388	412,359	34,832	32,402
Provision for taxation		9,939,897	-	3,550,954	-
		646,542,170	44,321,298	74,046,861	4,535,632
TOTAL LIABILITIES		663,487,574	64,108,310	74,119,225	4,653,773
TOTAL EQUITY AND LIABILITIES		**761,859,816**	**116,109,028**	**188,281,233**	**53,431,217**

The annexed notes form an integral part of these financial statements.

5.3

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period Ended 30 June 2021

		The Group		The Company	
	NOTE	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
REVENUE	22	198,964,293	86,047,804	24,447,398	12,156,993
COST OF SALES		(112,135,043)	(68,750,992)	-	(3,980,066)
GROSS PROFIT		86,829,250	17,296,812	24,447,398	8,176,927
OTHER INCOME		25,075,132	2,994,563	24,315,401	475,874
		111,904,382	20,291,375	48,762,799	8,652,801
SELLING AND DISTRIBUTION EXPENSES		(12,026,596)	(7,705,778)	-	-
ADMINISTRATIVE EXPENSES		(24,210,531)	(7,858,546)	(14,495,999)	(4,354,301)
FINANCE COSTS		(2,898,441)	(1,850,791)	(50,611)	(134,372)
NET IMPAIRMENT (LOSSES)/GAINS ON FINANCIAL ASSETS	23	(67,049,295)	317,239	(15,767,060)	(2,007)
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATE	6	2,548	-	-	-
PROFIT BEFORE TAXATION	24	5,722,067	3,193,499	18,449,129	4,162,121
INCOME TAX EXPENSE	25	(9,931,280)	(43,659)	(3,600,558)	(43,037)
(LOSS)/PROFIT AFTER TAXATION		(4,209,213)	3,149,840	14,848,571	4,119,084

The annexed notes form an integral part of these financial statements.

5.3.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

		The Group		The Company	
	NOTE	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
OTHER COMPREHENSIVE (EXPENSES)/INCOME					
Items that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		(45,286)	98	-	-
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL PERIOD/YEAR		(4,254,499)	3,149,938	14,848,571	4,119,084
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(4,187,910)	3,149,840	14,848,571	4,119,084
Non-controlling interests		(21,303)	-	-	-
		(4,209,213)	3,149,840	14,848,571	4,119,084
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(4,233,196)	3,149,938	14,848,571	4,119,084
Non-controlling interest		(21,303)	-	-	-
		(4,254,499)	3,149,938	14,848,571	4,119,084
(LOSS)/EARNINGS PER SHARE (SEN)					
Basic (2019 - Restated)	26	(0.94)	0.92		
Diluted (2019 - Restated)	26	(0.94)	0.92		

The annexed notes form an integral part of these financial statements.

5.3.2 STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

The Group	NOTE	Share Capital RM	Foreign Exchange Translation Reserves RM	Accumulated Losses RM	Total Equity Attributable To The Owners Of The Company RM	Non-Controlling Interests RM	Total Equity RM
Balance at 1.1.2019		85,913,168	-	(37,062,388)	48,850,780	-	48,850,780
Profit after taxation for the financial year		-	-	3,149,840	3,149,840	-	3,149,840
Other comprehensive income for the financial year:							
- Foreign currency translation differences	17	-	98	-	98	-	98
Balance at 31.12.2019/1.1.2020		85,913,168	98	(33,912,548)	52,000,718	-	52,000,718
Loss after taxation for the financial period		-	-	(4,187,910)	(4,187,910)	(21,303)	(4,209,213)
Other comprehensive expenses for the financial period							
- Foreign currency translation differences	17	-	(45,286)	-	(45,286)	-	(45,286)
		85,913,168	(45,188)	(38,100,458)	47,767,522	(21,303)	47,746,219
Contributions by and distribution to owners of the Company:							
- Issuance of shares	16	67,026,600	-	-	67,026,600	-	67,026,600
- Share issue expenses	16	(671,014)	-	-	(671,014)	-	(671,014)
- Acquisition of subsidiaries	5	-	-	-	-	90,030	90,030
- Dividends paid by the Company	28	-	-	(15,819,593)	(15,819,593)	-	(15,819,593)
Total transaction with owners		66,355,586	-	(15,819,593)	50,535,993	90,030	50,626,023
Balance at 30.6.2021		152,268,754	(45,188)	(53,920,051)	98,303,515	68,727	98,372,242

The annexed notes form an integral part of these financial statements.

5.3.3 STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

The Company	NOTE	Share Capital RM	Accumulated Losses RM	Total Equity RM
Balance at 1.1.2019		85,913,168	(41,254,808)	44,658,360
Profit after taxation, representing total comprehensive income for the financial year		-	4,119,084	4,119,084
Balance at 31.12.2019/1.1.2020		85,913,168	(37,135,724)	48,777,444
Profit after taxation, representing total comprehensive income for the financial period		-	14,848,571	14,848,571
Contributions by and distributions to owners of the Company:				
- Issuance of shares	16	67,026,600	-	67,026,600
- Share issue expenses	16	(671,014)	-	(671,014)
- Dividends paid by the Company	28	-	(15,819,593)	(15,819,593)
Balance at 30.6.2021		152,268,754	(38,106,746)	114,162,008

The annexed notes form an integral part of these financial statements.

5.3.4 STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

		The Group		The Company	
	NOTE	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		5,722,067	3,193,499	18,449,129	4,162,121
Adjustments for:-					
Bad debts written off		-	39,802	-	-
Depreciation of property, plant and equipment		4,576,534	3,091,475	71,410	9,814
Depreciation of right-of-use assets		1,423,701	624,141	232,616	155,078
Impairment losses on:					
- trade receivables	23	63,500,712	182,624	11,857,355	-
- other receivables	23	3,645,436	273,365	530,093	2,007
- amount owing by subsidiaries	23	-	-	3,379,612	-
Interest expense on lease liabilities		101,729	84,931	6,175	7,130
Interest expense		2,796,712	1,765,860	44,436	127,242
Inventories written down		376,164	30,668	-	-
Inventories written off		432,648	567,087	-	-
Investment in a subsidiary written off		-	-	323,992	-
Preliminary expenses written off		-	12,367	-	-
Property, plant and equipment written off		2,240	312	-	-
Unrealised (gain)/loss on foreign exchange		(148,069)	12,591	(8,163)	12,591
Dividend income	22	-	-	-	(4,000,000)
Gain from a subsidiary under Creditors' Voluntary Winding Up	27	-	(1,045,853)	-	-
Gain on disposal of property, plant and equipment		(28,781)	(102,235)	(15,999)	-
Gain on disposal of right-of-use assets		-	(35,999)	-	(35,999)
Share of profits of equity accounted associate	6	(2,548)	-	-	-

The annexed notes form an integral part of these financial statements.

5.3.5 STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

		The Group		The Company	
	NOTE	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Interest income		(680,077)	(236,124)	(1,323,681)	(12,622)
Interest accretion from profit guarantee receivable	9	-	(427,253)	-	(427,253)
Proceeds from termination of Share Sale Agreement	9	(28,968,073)	-	(28,968,073)	-
Reversal of impairment losses on trade receivables	23	(96,853)	(773,228)	-	-
Reversal of profit guarantee receivable	9	6,189,520	-	6,189,520	-
Operating profit before working capital changes		58,843,062	7,258,030	10,768,422	109
Increase in inventories		(1,492,398)	(3,262,077)	-	-
Increase in trade and other receivables		(685,864,889)	(5,597,947)	(79,900,597)	(4,500,513)
Increase in other assets		-	(1,300,000)	-	-
Decrease/(Increase) in contract assets		198,417	(199,486)	199,486	(199,486)
Increase in amount owing by subsidiaries		-	-	(55,965,370)	(3,377)
Incease in trade and other payables		579,272,232	6,686,404	65,378,754	4,019,010
Incease in contract liabilities		1,493,311	36,514	-	-
Increase/(Decrease) in amount owing to subsidiaries		-	-	287,749	(2,830,548)

The annexed notes form an integral part of these financial statements.

5.3.6 STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

		The Group		The Company	
	NOTE	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
CASH (FOR)/FROM OPERATIONS		(47,550,265)	3,621,438	(59,231,556)	(3,514,805)
Dividend received	22	-	-	-	4,000,000
Interest paid		(2,898,441)	(1,850,791)	(50,611)	(134,372)
Interest received		680,077	236,124	1,323,681	12,622
Income tax paid		(183,327)	(49,712)	(58,604)	(40,000)
Income tax refunded		9,963	49,313	9,963	-
Preliminary expenses paid		-	(12,367)	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(49,941,993)	1,994,005	(58,007,127)	323,445
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Net cash outflow from a subsidiary under Creditors' Voluntary Winding Up	27	-	(63,316)	-	-
Proceed from disposal of property,plant and equipment		69,997	103,084	15,999	2
Proceeds from disposal of right-of-use assets		-	36,000	-	36,000
Purchase of property, plant and equipment	7	(6,919,695)	(4,548,421)	(1,222,954)	(6,044)
Purchase of right-of-use assets	29(a)	(167,087)	(5,044,429)	-	-
Acquisition of non-controlling interest	5	90,030	-	-	-
Proceeds from termination of Share Sale Agreement	9	28,968,073	-	28,968,073	-
Increase in investment in an associate	6	(300,000)	-	-	-
Increase in fixed deposits pledged to licensed banks		(20,113,583)	(179,057)	(20,108,526)	(16,057)
NET CASH FROM/ (FOR) INVESTING ACTIVITIES		1,627,735	(9,696,139)	7,652,592	13,901

The annexed notes form an integral part of these financial statements.

5.3.7 STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

		The Group		The Company	
	NOTE	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid	28	(15,819,593)	-	(15,819,593)	-
Drawdown of term loans	29(b)	-	7,000,000	-	-
Drawdown of revolving credits	29(b)	3,683,756	2,969,084	-	-
Drawdown of bankers' acceptances	29(b)	31,412,622	12,727,820	-	-
Net proceeds from issuance of ordinary shares	16	66,355,586	-	66,355,586	-
Repayment of lease liabilities	29(b)	(723,429)	(427,641)	(49,211)	(66,250)
Repayment of term loans	29(b)	(2,163,825)	(1,548,455)	-	-
Repayment of revolving credits	29(b)	(871,025)	(3,000,000)	-	-
Repayment of bankers' acceptances	29(b)	(25,740,622)	(6,470,820)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		56,133,470	11,249,988	50,486,782	(66,250)
NET INCREASE IN CASH AND CASH EQUIVALENTS		7,819,212	3,547,854	132,247	271,096
EFFECT OF FOREIGN EXCHANGE TRANSLATION		2,053,817	98	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		8,473,046	4,925,094	178,606	(92,490)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	29(d)	18,346,075	8,473,046	310,853	178,606

The annexed notes form an integral part of these financial statements.

5.3.8 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office and principal place of business are as follows:-

Registered office and principal place of business
: Lot 1258, Jalan Utama, Pending Industrial Estate, 93450 Kuching, Sarawak.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 December 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, provision of management services, engineering, procurement, construction and commissioning. The principal activities of the subsidiaries are set out in Note 5.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 7, MFRS 9 and MFRS 139: Interest Rate Benchmark Reform
Amendments to MFRS 16: Covid-19-Related Rent Concessions
Amendments to MFRS 101 and MFRS 108: Definition of Material
Amendments to MFRS 101: Classification of Current or Non-current – Deferral of Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

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5.3.9 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 1, MFRS 9 and MFRS 141: Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The Group depreciates property, plant and equipment over their estimated useful lives after taking into account their estimated residual values, using the straight-line method. The estimated useful lives applied by the Group as disclosed in Note 4.7 reflect the directors' estimates of the periods that the Group expects to derive future economic benefits from the use of the Group's property, plant and equipment. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of Property, Plant and Equipment

The Group carries out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit (CGU) to which the property, plant and equipment are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date are disclosed in Note 11.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:- (Cont'd)

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 12 and 14.

(f) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 13.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Coronavirus Disease 2019 (COVID-19)

The current outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporarily closing of businesses, travel restrictions and quarantine measures across the globe. These measures and policies affect supply chains and the production of goods and services and lower economic activity which is likely to result in reduced demand for the Group's goods and services. The Group exercises judgement, in light of all facts and circumstances, to assess what event in this series of events provides additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of the Group's assets and liabilities at 30 June 2021.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

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5.3.15 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

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5.3.16 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

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5.3.17 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

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5.3.18 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

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5.3.19 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 INVESTMENT IN ASSOCIATES

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investment in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	5%
Concrete jetty	5%
Furniture, fittings and equipment	10% - 33.33%
Motor vehicles	25%
Plant and machineries	4% - 20%
Renovation	5%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

5.3.21 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 LEASES

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INVENTORIES

Inventories are stated 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.

4.10 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 – Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.12 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment losses recognised in respect of cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

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5.3.25 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

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5.3.26 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.17 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.18 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.19 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to leasing transactions.

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5.3.27 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 FAIR VALUE MEASUREMENTS (CONT'D)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows: -

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.20 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed todate.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

(c) Project Management Services

Revenue from providing management and/or agency services is recognised over time in the period in which the services are rendered.

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5.3.29 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM OTHER SOURCES AND OTHER INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established

(b) Rendering of Services

Revenue from providing management services is recognised over time in the period in which the services are rendered.

(c) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

(d) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

4.22 CONTINGENT ASSETS

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When its inflow of economic benefit is virtually certain, then the related asset is recognised in the statement of financial position.

4.23 WARRANTS

The Group issued Warrants 2021/2024 ("Warrant B") at no cost and these are not recognised in the financial statements. Each Warrant B is convertible into one new ordinary share at the adjusted exercise price of RM1.77 per share during the exercise period and will only be recognised as equity instruments upon conversion.

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5.3.30 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	30.6.2021	31.12.2019
	RM	RM
Carrying amount		
At beginning of the period/year	36,800,039	36,800,039
Write offs	(323,992)	-
At end of the period	36,476,047	36,800,039
Unquoted shares, at cost	38,976,049	39,300,041
Accumulated impairment losses	(2,500,002)	(2,500,002)
	36,476,047	36,800,039

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Effective Equity Interest		Principal Activities
		30.6.2021	31.12.2019	
		%	%	
Subsidiaries of the Company				
SCIB Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding
SCIB Industrialised Building System Sdn. Bhd. ^	Malaysia	100	100	Supply and installation of industrialised building system components
Subsidiaries of SCIB Holdings Sdn. Bhd.				
SCIB Concrete Manufacturing Sdn. Bhd	Malaysia	100	100	Investment holding, trading of construction materials, manufacturing and sale of precast concrete pipes, prestressed spun concrete piles and other related concrete products

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5.3.31 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:- (Cont'd)

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Effective Equity Interest		Principal Activities
		30.6.2021 %	31.12.2019 %	
Subsidiaries of SCIB Holdings Sdn. Bhd. (Cont'd)				
SCIB Infraworks Sdn. Bhd. ^	Malaysia	100	100	Dormant
SCIB Properties Sdn. Bhd.	Malaysia	100	100	Property Investment and development, engineering, procurement, construction and commissioning
Subsidiaries of SCIB Concrete Manufacturing Sdn. Bhd.				
SCIB International (Labuan) Ltd. ^	Labuan, Malaysia	100	100	Engineering, procurement, construction and commissioning project activities and investment holding
Subsidiaries of SCIB Industrialised Building System Sdn. Bhd.				
SCIB LW System Sdn. Bhd. *	Malaysia	70	-	Supplying and installations of prefabricated Lightweight Systems products including but not limited to carrying out engineering, procurement, construction and commissioning ("EPCC")
SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd. (formerly known as SCIB Sasoakai Venture Sdn. Bhd.) *+	Malaysia	70	-	Road construction, maintenance and others related activities

^ *The auditors' report on the financial statements of the subsidiary includes a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiary.*

* *The Group had on 26 February 2021 and 28 April 2021 incorporated SCIB LW System Sdn. Bhd. and SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd. (formerly known as SCIB Sasoakai Venture Sdn. Bhd.) respectively for cash consideration of RM210,000 and RM70 respectively, which are both 70% owned by SCIB Industrialised Building System Sdn. Bhd..*

+ *The subsidiary's financial statements have not been audited as the appointment of auditors is not in place.*

5.3.32 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Non-controlling interests

Set out below is the Group's subsidiaries which have non-controlling interests:

Name of subsidiary	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Retained earnings of non-controlling interests	
	30.6.2021 %	31.12.2019 %	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
SCIB LW System Sdn. Bhd.	30	-	(19,697)	-	70,303	-
SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd. (formerly known as SCIB Sasoakai Venture Sdn. Bhd.)	30	-	(1,606)	-	(1,576)	-
			(21,303)	-	68,727	-

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5.3.33 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Non-controlling interests (Cont'd)

Summarised financial information for each subsidiary that has non-controlling interests is set out below. The summarised financial information below represents amounts before inter-company eliminations.

i. Summarised statements of financial position

		SCIB LW System Sdn. Bhd.
	30.6.2021	**31.12.2019**
	RM	**RM**
Non-current assets	498,936	-
Current assets	397,097	-
Current liabilities	(661,688)	-
Net assets	234,345	-
Equity attributable to owners of the Company	164,042	-
Non-controlling interest	70,303	-
	234,345	-

		SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd. (formerly known as SCIB Sasoakai Venture Sdn. Bhd.)
	30.6.2021	**31.12.2019**
	RM	**RM**
Current assets	549	-
Current liabilities	(5,803)	-
Net assets	(5,254)	-
Equity attributable to owners of the Company	(3,678)	-
Non-controlling interest	(1,576)	-
	(5,254)	-

5.3.34 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Non-controlling interests (Cont'd)

ii. Summarised statements of profit or loss and other comprehensive income

	SCIB LW System Sdn. Bhd.	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Revenue	10,605	-
Loss before taxation	(65,655)	-
Taxation	-	-
Loss for the period, representing total comprehensive loss for the period	(65,655)	-
Loss attributable to owners of the Company	(45,958)	-
Non-controlling interest	(19,697)	-
	(65,655)	-

	SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd. (formerly known as SCIB Sasoakai Venture Sdn. Bhd.)	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Revenue	-	-
Loss before taxation	(5,354)	-
Taxation	-	-
Loss for the period, representing total comprehensive loss for the period	(5,354)	-
Loss attributable to owners of the Company	(3,748)	-
Non-controlling interest	(1,606)	-
	(5,354)	-

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5.3.35 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Non-controlling interests (Cont'd)

iii. Summarised statements of cash flows

	SCIB LW System Sdn. Bhd.	
	Financial period from 1.1.2020 to 30.6.2021 RM	**Financial year from 1.1.2019 to 31.12.2019 RM**
Net cash generated from operating activities	499,686	-
Net cash used in investing activities	(499,698)	-
Net cash generated from financing activities	300,000	-
Net increase in cash and cash equivalents	299,988	-

	SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd. (formerly known as SCIB Sasoakai Venture Sdn. Bhd.)	
	Financial period from 1.1.2020 to 30.6.2021 RM	**Financial year from 1.1.2019 to 31.12.2019 RM**
Net cash used in operating activities	(30)	-
Net cash generated from financing activities	100	-
Net increase in cash and cash equivalents	70	-

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6. INVESTMENTS IN AN ASSOCIATE

	The Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
At beginning of the period/year	-	-
Additions	300,000	-
Share of post-acquisition reserves	2,548	-
At end of the period/year	302,548	-

The details of the associate are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 30.6.2021 %	Effective Equity Interest 31.12.2019 %	Principal Activities
Associate of SCIB Properties Sdn. Bhd.				
Edaran Kencana Sdn. Bhd. *	Malaysia	30	-	General contractor and builder, engineering consultancy and other related services

* *The associate's financial statements for the financial year ended 31 December 2020 were audited by Bal & Partners PLT.*

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 for the financial year ended 31 December 2020 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2021 to 30 June 2021.

The Company through its subsidiary, SCIB Properties Sdn. Bhd., acquired 300,000 ordinary shares, representing 30% of equity interests in the share capital of Edaran Kencana Sdn. Bhd. for a cash consideration of RM300,000. The acquisition was completed on 25 August 2020.

The summarised financial information of the associate is as follows:

	The Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Non-current assets	2,187,500	-
Current assets	15,487,432	-
Current liabilities	(16,460,776)	-
Net assets	1,214,156	-
18-month period ended 30 June Revenue	10,350,590	-
Profit for the period, representing total comprehensive income for the period	8,493	-
Group's share of profit for the period	2,548	-

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5.3.37 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold land RM	Buildings RM	Concrete jetty RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machineries RM	Renovation RM	Capital work-in-progress RM	Total RM
Cost									
At 1 January 2019, as previously stated	16,556,855	24,555,987	404,466	3,045,501	1,718,938	67,266,642	-	165,211	113,713,600
Initial application of MFRS 16	(16,556,855)	-	-	-	(629,755)	(2,302,161)	-	-	(19,488,771)
At 1 January 2019, as restated	-	24,555,987	404,466	3,045,501	1,089,183	64,964,481	-	165,211	94,224,829
Additions	-	3,903,419	-	626,502	-	18,500	-	-	4,548,421
Transfer from Other Assets (Note 9)	-	2,900,000	-	-	-	-	-	-	2,900,000
Disposals	-	-	-	(3,757)	-	(552,502)	-	-	(556,259)
Write offs	-	-	-	(66,058)	(1,900)	(5,235,400)	-	-	(5,303,358)
Deconsolidation of a subsidiary under Creditors' Voluntary Winding up	-	(3,258,461)	-	(54,382)	(213,620)	(1,645,010)	-	(165,211)	(5,336,684)
At 31 December 2019	-	28,100,945	404,466	3,547,806	873,663	57,550,069	-	-	90,476,949
At 1 January 2020	-	28,100,945	404,466	3,547,806	873,663	57,550,069	-	-	90,476,949
Additions	-	62,688	-	888,179	-	1,049,727	267,362	4,651,739	6,919,695
Disposals	-	-	-	-	(218,272)	(317,340)	-	-	(535,612)
Write offs	-	-	-	(70,902)	-	(29,483)	-	-	(100,385)
At 30 June 2021	-	28,163,633	404,466	4,365,083	655,391	58,252,973	267,362	4,651,739	96,760,647

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5.3.38 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Leasehold land RM	Buildings RM	Concrete jetty RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machineries RM	Renovation RM	Capital work-in-progress RM	Total RM
Accumulated depreciation									
At 1 January 2019, as previously stated	5,076,321	14,083,330	388,013	2,758,277	1,373,074	51,082,599	-	-	74,761,614
Initial application of MFRS 16	(5,076,321)	-	-	-	(470,828)	(411,452)	-	-	(5,958,601)
At 1 January 2019, as restated	-	14,083,330	388,013	2,758,277	902,246	50,671,147	-	-	68,803,013
Depreciation for the year	-	1,270,131	2,195	125,971	2,608	1,690,570	-	-	3,091,475
Reclassified from accumulated impairment losses	-	2,197,728	-	-	-	955,337	-	165,211	3,318,276
Disposals	-	-	-	(3,755)	-	(551,655)	-	-	(555,410)
Write offs	-	-	-	(65,746)	(1,900)	(5,235,400)	-	-	(5,303,046)
Deconsolidation of a subsidiary under Creditors' Voluntary Winding up	-	(3,258,461)	-	(13,162)	(35,603)	(1,527,010)	-	(165,211)	(4,999,447)
At 31 December 2019	-	14,292,728	390,208	2,801,585	867,351	46,002,989	-	-	64,354,861
At 1 January 2020	-	14,292,728	390,208	2,801,585	867,351	46,002,989	-	-	64,354,861
Depreciation for the period	-	1,713,528	-	493,206	3,913	2,359,322	6,565	-	4,576,534
Disposals	-	-	-	-	(218,272)	(276,124)	-	-	(494,396)
Write offs	-	-	-	(68,674)	-	(29,471)	-	-	(98,145)
At 30 June 2021	-	16,006,256	390,208	3,226,117	652,992	48,056,716	6,565	-	68,338,854

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5.3.39 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Leasehold land RM	Buildings RM	Concrete jetty RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machineries RM	Renovation RM	Capital work-in-progress RM	Total RM
Accumulated impairment losses									
At 1 January 2019, as previously stated	-	2,197,728	-	-	-	955,337	-	165,211	3,318,276
Initial application of MFRS 16	-	-	-	-	-	-	-	-	-
At 1 January 2019, as restated	-	2,197,728	-	-	-	955,337	-	165,211	3,318,276
Reclassified to accumulated depreciation	-	(2,197,728)	-	-	-	(955,337)	-	(165,211)	(3,318,276)
At 31 December 2019/ 1 January 2020/30 June 2021	-	-	-	-	-	-	-	-	-
Carrying amount									
At 31 December 2019	-	13,808,217	14,258	746,221	6,312	11,547,080	-	-	26,122,088
At 30 June 2021	-	12,157,377	14,258	1,138,966	2,399	10,196,257	260,797	4,651,739	28,421,793

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5.3.40 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Leasehold land RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
Cost						
At 1 January 2019	6,490,851	40,100	685,439	-	-	7,216,390
Initial application of MFRS 16	(6,490,851)	-	(456,727)	-	-	(6,947,578)
At 1 January 2019, as restated	-	40,100	228,712	-	-	268,812
Additions	-	6,044	-	-	-	6,044
Disposals	-	(3,757)	-	-	-	(3,757)
At 31 December 2019/1 January 2020	-	42,387	228,712	-	-	271,099
Additions	-	612,592	-	250,362	360,000	1,222,954
Disposals	-	-	(218,272)	-	-	(218,272)
At 30 June 2021	-	654,979	10,440	250,362	360,000	1,275,781

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5.3.41 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Leasehold land RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
Accumulated depreciation						
At 1 January 2019	1,364,520	24,486	524,803	-	-	1,913,809
Initial application of MFRS 16	(1,364,520)	-	(305,010)	-	-	(1,669,530)
At 1 January 2019, as restated	-	24,486	219,793	-	-	244,279
Depreciation for the year	-	7,206	2,608	-	-	9,814
Disposals	-	(3,755)	-	-	-	(3,755)
At 31 December 2019/1 January 2020	-	27,937	222,401	-	-	250,338
Depreciation for the period	-	61,208	3,914	6,288	-	71,410
Disposals	-	-	(218,272)	-	-	(218,272)
At 30 June 2021	-	89,145	8,043	6,288	-	103,476
Carrying amount						
At 31 December 2019	-	14,450	6,311	-	-	20,761
At 30 June 2021	-	565,834	2,397	244,074	360,000	1,172,305

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7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Included in the property, plant and equipment of the Group are the following assets which have been pledged to licensed banks as securities for banking facilities granted to the Group:-

		The Group
	30.6.2021 RM	31.12.2019 RM
Buildings	8,515,423	9,853,218

8. RIGHT-OF-USE ASSETS

The Group	Leasehold lands RM	Motor vehicles RM	Plant and machineries RM	Total RM
Cost				
At 1 January 2019, as previously stated	-	-	-	-
Initial application of MFRS 16	16,556,855	629,755	2,302,161	19,488,771
At 1 January 2019, as restated	16,556,855	629,755	2,302,161	19,488,771
Additions	5,011,012	-	161,417	5,172,429
Disposals	-	(270,000)	-	(270,000)
At 31 December 2019 / 1 January 2020	21,567,867	359,755	2,463,578	24,391,200
Additions	-	1,017,615	161,472	1,179,087
At 30 June 2021	21,567,867	1,377,370	2,625,050	25,570,287

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5.3.43 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

8. RIGHT-OF-USE ASSETS (CONT'D)

The Group	Leasehold lands RM	Motor vehicles RM	Plant and machineries RM	Total RM
Accumulated depreciation				
At 1 January 2019, as previously stated	-	-	-	-
Initial application of MFRS 16	5,076,321	470,828	411,452	5,958,601
At 1 January 2019, as restated	5,076,321	470,828	411,452	5,958,601
Depreciation for the year	325,247	53,889	245,005	624,141
Disposals	-	(269,999)	-	(269,999)
At 31 December 2019 / 1 January 2020	5,401,568	254,718	656,457	6,312,743
Depreciation for the period	820,957	218,419	384,325	1,423,701
At 30 June 2021	6,222,525	473,137	1,040,782	7,736,444
Carrying amount				
At 31 December 2019	16,166,299	105,037	1,807,121	18,078,457
At 30 June 2021	15,345,342	904,233	1,584,268	17,833,843

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8. RIGHT-OF-USE ASSETS (CONT'D)

The Company	Leasehold lands RM	Motor vehicles RM	Total RM
Cost			
At 1 January 2019, as previously stated	-	-	-
Initial application of MFRS 16	6,490,851	456,727	6,947,578
At 1 January 2019, as restated	6,490,851	456,727	6,947,578
Disposals	-	(270,000)	(270,000)
At 31 December 2019 / 1 January 2020	6,490,851	186,727	6,677,578
At 30 June 2021	6,490,851	186,727	6,677,578
Accumulated depreciation			
At 1 January 2019, as previously stated	-	-	-
Initial application of MFRS 16	1,364,520	305,010	1,669,530
At 1 January 2019, as restated	1,364,520	305,010	1,669,530
Depreciation for the year	108,397	46,681	155,078
Disposals	-	(269,999)	(269,999)
At 31 December 2019 / 1 January 2020	1,472,917	81,692	1,554,609
Depreciation for the period	162,596	70,020	232,616
At 30 June 2021	1,635,513	151,712	1,787,225
Carrying amount			
At 31 December 2019	5,017,934	105,035	5,122,969
At 30 June 2021	4,855,338	35,015	4,890,353

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5.3.45 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

8. RIGHT-OF-USE ASSETS (CONT'D)

(a) The Group and the Company lease certain leasehold lands, motor vehicles and plant and machineries of which the leasing activities are summarised below:-

Leasehold lands: The Group and the Company acquired the right to use the leasehold lands for 60 years.

Motor vehicles, plant and machineries: 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 an option to purchase the asset at the expiry of the lease period at an insignificant amount.

(b) Included in the right-of-use assets of the Group and of the Company at the end of the reporting period were leasehold lands with aggregate carrying amount of RM14,203,960 (2019: RM14,989,972) and RM4,052,792 (2019: RM3,841,607) respectively, have been pledged to licensed banks as security for banking facilities granted to the Group and to the Company, as disclosed in Note 19.

9. OTHER ASSETS

		The Group		The Company
Profit guarantee receivable	**30.6.2021**	**31.12.2019**	**30.6.2021**	**31.12.2019**
	RM	**RM**	**RM**	**RM**
At beginning of the period/year	6,189,520	5,762,267	6,189,520	5,762,267
Interest accretion from profit guarantee receivable	-	427,253	-	427,253
Reversals	(6,189,520)	-	(6,189,520)	-
At end of the period/year	-	6,189,520	-	6,189,520

Profit guarantee receivable

The above classification of the balance due from the Sellers of the share sale agreement ("SSA") entered into on 28 December 2016 by the Company to acquire the entire equity interest in Carlton Gardens Sdn. Bhd. ("CGSB") arose from the purchase consideration of RM9,500,000 which was satisfied by a combination of cash amounting to RM5,266,000 and the issuance of 7,300,000 new ordinary shares of the Company at an issue price of RM0.58 per share.

The SSA provides for a profit guarantee which is payable by the Sellers in the event that CGSB fails to achieve a profit before tax amounting to at least RM7,191,236 from the date of acquisition up to the financial year ended 31 December 2018. The profit guarantee is to be calculated based on any shortfall against the aforementioned profit before tax. Subsequently, the Company made its best estimate of the profit guarantee and recognised a profit guarantee receivable including interest accretion totalling RM6,189,520, being RM7,191,236 discounted over four years at 7.35% per annum to account for the timing of recovery of such receivable.

5.3.46 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

9. OTHER ASSETS (CONT'D)

Profit guarantee receivable (Cont'd)

On 19 April 2018, the Company issued a Notice of Termination of SSA and had also obtained a court order to injunct the Company's shares which were issued for part settlement of the purchase consideration. During the financial year ended 31 December 2019, the Company commenced legal action against the Sellers for breach of SSA which is disclosed in Note 36.1. On 10 December 2020, the Parties agreed to enter into a Settlement Agreement to fully settle all disputes and the terms and conditions of the said settlement was completed on 25 February 2021. The effect of the termination of the SSA and the completion of the Settlement Agreement has resulted in the net proceeds of RM22,778,553 received by the Company and have been disclosed in the Profit Before Taxation (Note 24) as 'Net proceeds arising from the termination of Share Sale Agreement'. The details are as follows:

		30.6.2021 RM
Proceeds from the share sales (which were originally slated to be returned by the Sellers)		38,943,593
Less:	Settlement sum paid to Sellers	(9,500,000)
	Settlement sum to liquidator of CGSB	(219,000)
	Other expenses	(256,520)
		(9,975,520)
Proceeds arising from the termination of Share Sale Agreement		28,968,073
Less:	Profit guarantee receivable previously recognised	(6,189,520)
Net proceeds arising from the termination of Share Sale Agreement		22,778,553

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9. OTHER ASSETS (CONT'D)

Other assets

Other assets represent properties received by the Group as settlement consideration for trade receivables outstanding balances.

The movements of other assets during the year are as follows:-

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
At beginning of the period/year	-	1,600,000	-	-
Additions	-	1,300,000	-	-
Transfer to property, plant and equipment (Note 7)	-	(2,900,000)	-	-
At end of the period/year	-	-	-	-

5.3.47 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

10. INVENTORIES

		The Group
	30.6.2021	**31.12.2019**
	RM	**RM**
Properties held for sale	1,644,045	1,644,045
Raw materials	5,619,959	5,254,958
Finished goods	16,418,759	15,805,659
Stores and spares	1,662,160	2,158,313
	25,344,923	24,862,975
Allowance for obsolescence inventories	(241,446)	(443,084)
	25,103,477	24,419,891
Allowance for obsolescence inventories:-		
At beginning of the period/year	(443,084)	(412,416)
Additions	(376,164)	(30,668)
Reversals to write off	577,802	-
At end of the period/year	(241,446)	(443,084)
Recognised in profit or loss:-		
Inventories recognised as cost of sales	84,479,410	61,643,223
Amount written down to net realisable value	376,164	30,668
Inventories written off	432,648	567,087

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5.3.48 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

11. TRADE RECEIVABLES

	The Group 30.6.2021 RM	The Group 31.12.2019 RM	The Company 30.6.2021 RM	The Company 31.12.2019 RM
Third parties:				
- foreign project owners				
- Project management	60,673,723	-	11,857,355	-
- EPCC	-	4,434,561	-	4,434,561
- local project owners	21,273,134	3,914,826	-	-
- others	589,841,617	22,798,728	67,082,549	-
	671,788,474	31,148,115	78,939,904	4,434,561
Allowance for impairment losses	(63,650,931)	(247,072)	(11,857,355)	-
	608,137,543	30,901,043	67,082,549	4,434,561
Allowance for impairment losses:-				
At beginning of the period/year	(247,072)	(5,174,714)	-	-
Deconsolidation of a subsidiary under Creditors' Voluntary Winding Up	-	4,337,038	-	-
Impairment losses:-				
- foreign project owners	(60,673,723)	-	(11,857,355)	-
- local project owners	(2,783)	-	-	-
- others	(2,824,206)	(182,624)	-	-
	(63,500,712)	(182,624)	(11,857,355)	-
Reversals	96,853	773,228	-	-
At end of the period/year	(63,650,931)	(247,072)	(11,857,355)	-

(a) The Group's and the Company's normal trade credit term is 90 (2019 – 90) days. Late interest is charged at 1.5% (2019 – 1.5%) 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 totalling RM4,508,523 (2019 – RM602,638).

(c) Included in trade receivables (others) of the Group and of the Company are amounts of RM561,122,581 (2019 – RMNil) and RM67,082,549 (2019 – RMNil) which are the net balances due from project owners of the Qatar and Oman projects as explained in Note 36.8: Termination of the Contracts in relation to Qatar and Oman Projects.

5.3.49 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	The Group		The Company	
		30.6.2021	31.12.2019	30.6.2021	31.12.2019
		RM	RM	RM	RM
Other receivables - third parties		22,979,714	7,256,882	4,755,416	4,205,619
Non-trade deposits		586,246	69,519	479,541	39,141
Trade deposits		14,428,414	-	-	-
Deposits for acquisition of a subsidiary	36.4	4,482,000	-	4,482,000	-
Deposits for investment of business venture	36.3	10,000,000	-	-	-
Prepayments		1,232,968	884,541	249,946	22,157
		53,709,342	8,210,942	9,966,903	4,266,917
Allowance for impairment losses		(10,671,015)	(7,057,078)	(4,723,695)	(4,194,239)
		43,038,327	1,153,864	5,243,208	72,678
Allowance for impairment losses:-					
At beginning of the period/year		(7,057,078)	(38,962)	(4,194,239)	-
Deconsolidation of a subsidiary under Creditors' Voluntary Winding Up		-	4,515	-	-
Additions		(3,645,436)	(273,365)	(530,093)	(2,007)
Reversals to write off		31,499	-	637	-
Transfer from amount owing by a former subsidiary (The Company - Note 14)		-	(6,749,266)	-	(4,192,232)
At end of the period/year		(10,671,015)	(7,057,078)	(4,723,695)	(4,194,239)

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13. CONTRACT ASSETS/(LIABILITIES)

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
Contract Assets				
Contract assets relating to construction services	1,069	199,486	-	199,486
Contract Liabilities				
Contract liabilities relating to construction services	(1,529,825)	(36,514)	-	-

(a) The contract assets primarily relate to the Group's and the Company'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 (2019 – 30) days.

(b) The contract liabilities relate to advance considerations received from a customer for EPCC contracts of which the revenue will be recognised over the remaining contract term of the specific contract it relates to, ranging from 1 to 3 (2019 – 1 to 3) months.

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13. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
At beginning of the period/year	162,972	-	199,486	-
Revenue recognised in profit or loss during the financial period/ year	29,044,648	8,567,178	-	4,688,866
Billings to customer during the period/year	(30,736,376)	(8,404,206)	(199,486)	(4,489,380)
At end of the period/year	(1,528,756)	162,972	-	199,486
Represented by:-				
Contract assets	1,069	199,486	-	199,486
Contract liabilities	(1,529,825)	(36,514)	-	-
	(1,528,756)	162,972	-	199,486

(d) As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts of the Group and of the Company are RM96,112,798 (2019 – RM164,211,371) and RMNil (2019 – RM109,888,288) respectively. These remaining performance obligations are expected to be recognised as below:-

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
Within 1 year	96,112,798	158,592,382	-	109,888,288
Between 1 to 5 years	-	5,618,989	-	-
	96,112,798	164,211,371	-	109,888,288

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5.3.52 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

14. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The Company	
	30.6.2021 RM	31.12.2019 RM
Amount Owing By Subsidiaries		
Current		
Non-trade balances	55,978,446	13,076
Allowance for impairment losses	(3,379,612)	-
	52,598,834	13,076
Allowance for impairment losses:-		
At beginning of the period/year	-	(4,192,232)
Additions	(3,379,612)	-
Transfer to other receivables (Note 12)	-	4,192,232
At end of the period/year	(3,379,612)	-
Amount Owing To A Subsidiary		
Current		
Non-trade balances	457,553	169,804

The amount owing by/(to) subsidiaries is unsecured, bears interest at the rate of 3.50% (2019 – 3.50%) per annum and is repayable on demand.

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15. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bear effective interest rates ranging from 1.60% to 3.35% (2019 – 2.90% to 3.35%) per annum and 1.60% to 3.35% (2019 – 2.90% to 3.35%) per annum respectively. The fixed deposits have maturity periods ranging from 1 to 36 (2019 – 1 to 36) months and 1 to 36 (2019 – 1 to 36) months for the Group and the Company respectively.

(b) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 19.

5.3.53 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

16. SHARE CAPITAL

	The Group		The Company	
	30.6.2021 Number Of Shares	31.12.2019 Number Of Shares	30.6.2021 RM	31.12.2019 RM
Issued and Fully Paid-Up				
At beginning of the period/year	85,882,500	85,882,500	85,913,168	85,913,168
Issuance of ordinary shares pursuant to:				
- private placement	36,750,000	-	66,885,000	-
- bonus issue	367,897,500	-	-	-
- conversion of Warrants B	80,000	-	141,600	-
	404,727,500	-	67,026,600	-
Less: Share issue expenses	-	-	(671,014)	-
	404,727,500	-	66,355,586	-
At end of the period/year	490,610,000	85,882,500	152,268,754	85,913,168

During the financial period, the Company increased its issued and paid-up share capital from RM85,913,168 to RM152,268,754 by way of:-

(a) a private placement exercise of up to 42.8% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016. On 16 June 2020, the Company has completed the private placement exercise, in which the Company has issued 36,750,000 new shares with an issue price of RM1.82 per placement share;

(b) issuance of 367,897,500 new ordinary shares from the subdivision of every 1 existing shares into 3 bonus shares on 31 December 2020; and

(c) issuance of 80,000 ordinary shares from the conversion of warrants at the conversion price of RM1.77 per share on 16 March 2021.

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 at meetings of the Company. The ordinary shares have no par value.

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5.3.54 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

17. FOREIGN EXCHANGE TRANSLATION RESERVES

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

	The Group	
	30.6.2021 RM	31.12.2019 RM
At beginning of the period/year	98	-
Foreign currency translation differences	(45,286)	98
At end of the period/year	(45,188)	98

18. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
Non-current				
Other liabilities	181,350	186,984	45,215	39,351
	181,350	186,984	45,215	39,351
Current				
Other payables - third parties	1,465,004	1,052,662	449,011	43,236
Accruals	9,794,202	1,366,094	2,428,761	309,153
Deposits received	712,700	-	-	-
Deposits received from a subsidiary	-	-	43,200	43,200
	11,971,906	2,418,756	2,920,972	395,589
	12,153,256	2,605,740	2,966,187	434,940

19. BANK BORROWINGS

	The Group	
	30.6.2021 RM	31.12.2019 RM
Short-term borrowings (Secured):-		
Bankers' acceptances	14,926,000	9,254,000
Revolving credits	8,930,133	6,087,842
Term loans	2,841,401	2,071,270
	26,697,534	17,413,112
Long-term borrowings (Secured):-		
Revolving credits	2,265,856	2,295,416
Term loans	13,638,220	16,572,176
	15,904,076	18,867,592
Total borrowings (Secured):-		
Bankers' acceptances	14,926,000	9,254,000
Revolving credits	11,195,989	8,383,258
Term loans	16,479,621	18,643,446
	42,601,610	36,280,704

5.3.55 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

19. BANK BORROWINGS (CONT'D)

(a) Bankers' acceptances were drawn down under conventional loan facility and is secured by a first legal charge over a leasehold land of the Company together with the building thereon as disclosed in Notes 7 and 8 and corporate guarantee by the Company. Interest is charged at 1.25% (2019 – 1.25%) per annum above the licensed bank's Cost of Fund.

(b) As at the end of the financial period, there was no bank overdraft balance, however the facility is still available. Bank overdraft is secured by pledge of a fixed deposit as disclosed in Note 15 and corporate guarantee by a subsidiary. Interest is charged at 1.25% (2019 – 0.75%) per annum above the licensed bank's Base Lending Rate.

(c) Revolving credit was drawn down under Commodity Murabahah Revolving Financing-i (CMRF-i) and is secured by a debenture incorporating fixed and floating charge over all the assets and a first party third legal charge over a leasehold land of a subsidiary together with the building thereon as disclosed in Notes 7 and 8 and corporate guarantee by the Company. Interest is charged at 0.50% (2019 – 0.50%) per annum above the licensed bank's Base Financing Rate.

(d) The details of term loans are as follows:-

Term loan I is secured by a first legal charge over a leasehold land of the Company together with the building thereon as disclosed in Notes 7 and 8, and corporate guarantee by the Company. Interest is charged at 1.00% (2019 – 1.00%) per annum below the licensed bank's Base Lending Rate.

Term loan II is secured by a first party first legal charge over a leasehold land of a subsidiary together with the building thereon and a first or third party letter of set-off over fixed deposit pledged as disclosed in Notes 7, 8 and 15 respectively, and corporate guarantee by the Company. Interest is charged at 2.20% (2019 – 2.20%) per annum below the licensed bank's Base Lending Rate.

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Term loan III was drawn down under Commodity Murabahah Term Financing-i (CMTF-i) and is secured by a debenture incorporating fixed and floating charge over all the assets and a first legal charge over a leasehold land of a subsidiary together with the building thereon as disclosed in Notes 7 and 8, and corporate guarantee by the Company. Interest is charged at 0.50% (2019 – 0.50%) per annum above the licensed bank's Base Financing Rate.

Term loan IV arise from the conversion of the payment of arrears of Term loan III during the moratorium period under the existing CMTF-i. Interest is charged at 4.00% (2019 – Nil%) per annum above the licensed bank's Base Financing Rate.

(e) The repayment terms of term loans are as follows:-

	The Group	
	30.6.2021	31.12.2019
	RM	RM
Repayment terms		
- not later than 1 year	2,841,401	2,071,270
- later than 1 year and not later than 5 years	5,863,137	6,629,229
- later than 5 years	7,775,083	9,942,947
	16,479,621	18,643,446

5.3.56 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

20. LEASE LIABILITIES

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
At beginning of the period/year				
- As previously reported	1,144,795	-	111,192	-
- Initial application of MFRS 16	-	1,607,873	-	177,442
- As restated	1,144,795	1,607,873	111,192	177,442
Deconsolidation of a subsidiary under Creditors' Voluntary Winding Up	-	(163,437)	-	-
Additions of new lease	1,012,000	128,000	-	-
Interest expense recognised in profit or loss	101,729	84,931	6,175	7,130
Repayment of principal	(723,429)	(427,641)	(49,211)	(66,250)
Repayment of interest expense	(101,729)	(84,931)	(6,175)	(7,130)
At end of the period/year	1,433,366	1,144,795	61,981	111,192
Analysed by:-				
Current liabilities	573,388	412,359	34,832	32,402
Non-current liabilities	859,978	732,436	27,149	78,790
	1,433,366	1,144,795	61,981	111,192

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5.3.57 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

20. LEASE LIABILITIES (CONT'D)

The repayment terms of lease liabilities are as follows:-

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
Minimum lease payments				
- not later than 1 year	626,826	470,328	36,924	36,924
- later than 1 year and not later than 5 years	905,444	773,363	27,655	83,041
- later than 5 years	22,232	-	-	-
Total minimum lease payments	1,554,502	1,243,691	64,579	119,965
Less: Future finance charges on lease liabilities	(121,136)	(98,896)	(2,598)	(8,773)
Present value of lease liabilities	1,433,366	1,144,795	61,981	111,192

Lease liabilities of the Group and of the Company are secured by the Group's and the Company's motor vehicles and plant and machineries under the hire purchase arrangements as disclosed in Note 8, with lease terms ranging from 5 to 7 (2019 – 5 to 7) years and bear effective interest rates ranging from 2.12% to 6.55% (2019 – 4.67% to 6.55%).

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5.3.58 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

21. TRADE PAYABLES

(a) The normal trade credit term granted to the Group and to the Company ranged from 30 to 90 (2019 – 30 to 90) days.

(b) Included in trade payables of the Group are retention sum payables totalling RM4,094,279 (2019 – RM559,417).

(c) Included in trade payables of the Group and of the Company are amounts of RM561,122,581 (2019 – RMNil) and RM67,082,550 (2019 – RMNil) which are the balances due to sub-contractors of the Qatar and Oman projects as explained in Note 36.8: Termination of the Contracts in relation to Qatar and Oman Projects.

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22. REVENUE

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Revenue from Contracts with Customers				
Sales of goods	105,696,449	77,845,956	-	-
Construction contracts	29,044,648	8,567,178	-	4,688,866
Project management fees	64,223,196	-	17,847,637	-
Cancellation of sales of property	-	(365,330)	-	-
	198,964,293	86,047,804	17,847,637	4,688,866
Revenue from Other Sources				
Dividend income	-	-	-	4,000,000
Management fees from subsidiaries	-	-	6,203,761	3,208,927
Rental income	-	-	396,000	259,200
	-	-	6,599,761	7,468,127
	198,964,293	86,047,804	24,447,398	12,156,993

The other information on the disaggregation of revenue is disclosed in Note 32.

5.3.59 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

22. REVENUE (CONT'D)

Construction contracts

Following the Settlement Agreements signed on 10 November 2021 for six projects carried out in Qatar and Oman, the Directors of the Company have resolved to reclassify the transactions for the current financial period relating to the said six projects and two projects based in Indonesia as project management fee instead of construction contracts. Notwithstanding the settlement agreements, limited management control of the projects based overseas; restrictions of movement in those locations caused by the Covid-19 pandemic and conformity with MFRS 15 in accounting for contracts have contributed to the Directors' decision for re-classification.

Set out below are the details of the current disclosures in comparison with the figures if the previous basis of construction contracts were applied:

	Current disclosures		Previous basis	
	The Group Financial period from 1.1.2020 to 30.6.2021 RM	The Company Financial period from 1.1.2020 to 30.6.2021 RM	The Group Financial period from 1.1.2020 to 30.6.2021 RM	The Company Financial period from 1.1.2020 to 30.6.2021 RM
Revenue from Contracts with Customers				
Project management fees	64,223,196	17,847,637	-	-
Construction contracts	29,044,648	-	748,551,678	125,045,612
	93,267,844	17,847,637	748,551,678	125,045,612
Cost of sales				
Project management fees	-	-	-	-
Construction contracts	27,606,378	-	682,890,212	107,197,975
	27,606,378	-	682,890,212	107,197,975

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23. NET IMPAIRMENT LOSSES/(GAINS) ON FINANCIAL ASSETS

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Impairment losses:-				
- trade receivables	63,500,712	182,624	11,857,355	-
- other receivables	3,645,436	273,365	530,093	2,007
- amount owing by subsidiaries	-	-	3,379,612	-
Reversal of impairment losses:				
- trade receivables	(96,853)	(773,228)	-	-
	67,049,295	(317,239)	15,767,060	2,007

24 PROFIT BEFORE TAXATION

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration				
(a) Auditors of the Company				
(i) Statutory				
- current period/year	349,209	101,511	64,000	32,000
(ii) Non-statutory				
- current period/year	20,000	6,000	20,000	6,000

5.3.61 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

24. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Profit before taxation is arrived at after charging/(crediting):- (Cont'd)				
(b) Other auditors				
(i) Statutory				
- current period/year	125,720	-	30,000	-
- underprovision in prior years	20,000	-	13,000	-
Bad debts written off	-	39,802	-	-
Depreciation of property, plant and equipment	4,576,534	3,091,475	71,410	9,814
Depreciation of right-of-use assets	1,423,701	624,141	232,616	155,078
Directors' remuneration (Note 30(a)):				
- fees	429,000	249,226	429,000	249,226
- salaries, bonuses and allowances	2,552,296	664,619	1,413,408	330,049
- E.I.S. contribution	450	198	142	71
- E.P.F. contribution	279,393	68,644	145,098	30,266
- SOCSO contribution	3,936	1,726	1,243	622
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- amount owing to a subsidiary	-	-	44,145	126,240
- bank overdraft	24	1,386	24	1,002
- bankers' acceptances	584,952	265,772	-	-
- revolving credits	975,583	642,037	-	-
- term loans	1,235,886	856,665	-	-

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5.3.62 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

24. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Profit before taxation is arrived at after charging/(crediting):- (Cont'd)				
- other interest expenses	267	-	267	-
Interest expense on lease liabilities	101,729	84,931	6,175	7,130
Inventories written down	376,164	30,668	-	-
Inventories written off	432,648	567,087	-	-
Investment in a subsidiary written off	-	-	323,992	-
Preliminary expenses written off	-	12,367	-	-
Property, plant and equipment written off	2,240	312	-	-
Realised loss on foreign exchange	625,501	-	376,679	-
Rental expense on:				
- land and buildings	1,110,000	650,000	675,000	-
- office equipment	129,793	48,843	40,270	17,247
- plant and machineries	374,939	236,062	-	-
Staff costs (including other key management personnel as disclosed in Note 30(b)):				
- salaries, wages, bonuses and allowances	18,384,391	8,446,761	4,367,957	1,977,062
- E.I.S. contribution	26,038	13,609	4,596	2,541
- E.P.F. contribution	2,030,367	851,370	494,559	213,624
- SOCSO contribution	227,207	123,358	40,846	23,427
- others	574,777	312,659	261,276	132,963
Unrealised loss on foreign exchange	-	12,591	-	12,591
Gain from a subsidiary under Creditors' Voluntary Winding Up	-	(1,045,853)	-	-
Net proceeds from termination of Share Sale Agreement	(22,778,553)	-	(22,778,553)	-

5.3.63 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

24. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Profit before taxation is arrived at after charging/(crediting):- (Cont'd)				
Gain on disposal of property, plant and equipment	(28,781)	(102,235)	(15,999)	-
Gain on disposal of right-of-use assets	-	(35,999)	-	(35,999)
Interest accretion from profit guarantee receivable	-	(427,253)	-	(427,253)
Interest income on financial assets measured at amortised cost:				
- amount owing by subsidiaries	-	-	(1,114,081)	(475)
- bank balances	(465,420)	(39,077)	-	-
- fixed deposits with licensed banks	(214,657)	(13,514)	(209,600)	(12,147)
- trade receivables	-	(183,533)	-	-
Realised gain on foreign exchange	-	(1,398)	-	-
Unrealised gain on foreign exchange	(148,069)	-	(8,163)	-
Rental income	-	(21,256)	(396,000)	(259,200)
Share of profit of equity accounted associates	(2,548)	-	-	-

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5.3.64 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

25. INCOME TAX EXPENSE

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Income tax:				
- Current tax expense				
- Malaysian tax	254,432	49,600	240,000	49,000
- Foreign tax	9,702,602	-	3,405,776	-
- Overprovision in the previous financial years	(25,754)	(5,941)	(45,218)	(5,963)
	9,931,280	43,659	3,600,558	43,037

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Profit before taxation	5,722,067	3,193,499	18,449,129	4,162,121
Tax at the statutory tax rate of 24% (2019 - 24%)	1,373,296	766,440	4,427,791	998,909
Tax effects of:-				
Tax exempt income	(1,151,696)	-	(1,151,696)	-
Non-taxable income	(5,676,423)	(20,020)	(5,580,979)	(960,000)
Non-deductible expenses	13,529,020	99,276	4,318,420	220,682

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5.3.65 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

25. INCOME TAX EXPENSE (CONT'D)

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Utilisation of capital allowances and tax losses brought forward	(579,534)	(881,225)	-	(209,469)
Deferred tax movements not recognised during the year	2,399,757	85,129	1,632,240	(1,122)
Differential in tax rate	62,614	-	-	-
Overprovision of income tax in the previous financial years	(25,754)	(5,941)	(45,218)	(5,963)
Income tax expense for the financial period/year	9,931,280	43,659	3,600,558	43,037

Deferred tax assets have not been recognised in respect of the following items:

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
Unabsorbed tax losses	22,787,000	14,354,000	11,796,000	5,960,000
Unutilised capital allowances	12,036,000	13,821,000	481,000	178,000
Other deductible temporary differences	1,146,000	209,000	871,000	209,000
	35,969,000	28,384,000	13,148,000	6,347,000

As at 30 June 2021 and 31 December 2019, these deferred tax assets were not recognised as future taxable profits may not be available against which these deductible temporary differences can be utilised.

The unabsorbed tax losses are allowed to be carried forward for a maximum period of 7 consecutive years of assessment. The unutilised capital allowances do not expire under the current tax legislation in Malaysia and can be utilised against income from the same business source, subject to no substantial change in shareholders of the subsidiaries.

26. (LOSS)/EARNINGS PER SHARE

		The Group
	Financial period from 1.1.2020 to 30.6.2021	Restated Financial year from 1.1.2019 to 31.12.2019
(Loss)/profit attributable to owners of the Company (RM)	(4,187,910)	3,149,840
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at beginning of the period/ year	85,882,500	85,882,500
Effect of private placement during the period/year	25,530,165	-
Effect of bonus issue during the period/year *	334,237,994	257,647,500
Effect of exercise of Warrants B during the period/ year	15,649	-
Weighted average number of ordinary shares at the end of the period/year	445,666,308	343,530,000
Basic (loss)/earnings per share (Sen)	(0.94)	0.92
Diluted (loss)/earnings per share (Sen)	(0.94)	0.92

* The calculation of basic and diluted earnings per share for the previous financial year has been adjusted retrospectively to reflect the changes in the number of shares as a result of the bonus issue.

The warrants are anti-dilutive and hence, the diluted earnings per share is equal to the basic earnings per share.

27. SUBSIDIARY UNDER CREDITORS' VOLUNTARY WINDING UP

The Group had on 11 January 2019 announced that Carlton Gardens Sdn. Bhd., a wholly-owned subsidiary incorporated in Malaysia, is in the process of voluntary winding up.

The following summarises the amounts of assets and liabilities transferred at the date of winding up:-

(a) **Financial Effect Arising from Winding Up**

	The Group 31.12.2019 RM
Property, plant and equipment	337,237
Trade receivables	5,171,542
Other receivables, deposits and prepayments	298,471
Cash and bank balances	63,316
Current tax assets	29,332
Hire purchase payables	(163,437)
Trade payables	(6,127,611)
Other payables and accruals	(654,703)
Gain from a subsidiary under Creditors' Voluntary Winding Up	(1,045,853)

(b) **Cash Flows Arising from Winding Up**

	The Group Financial year from 1.1.2019 to 31.12.2019 RM
Net cash outflow from a subsidiary under Creditors' Voluntary Winding Up	(63,316)

5.3.67 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

28. DIVIDEND PAID

	The Group/The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
First interim single tier dividend of 2.30 sen per ordinary share on 122,632,500 ordinary shares, declared on 27 August 2020 and paid on 30 September 2020 in respect of financial period ended 31 December 2020.	2,820,548	-
Second interim single tier dividend of 3.00 sen per ordinary share on 122,632,500 ordinary shares, declared on 26 November 2020 and paid on 29 January 2021 in respect of financial period ended 31 December 2020.	3,678,975	-
Third interim single tier dividend of 1.90 sen per ordinary share on 490,530,000 ordinary shares, declared on 25 February 2021 and paid on 30 March 2021 in respect of financial period ended 31 December 2020.	9,320,070	-
	15,819,593	-

29. CASH FLOW INFORMATION

(a) The cash disbursed for the additions of right-of-use assets is as follows:-

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Cost of right-of-use assets added (Note 8)	1,179,087	5,172,429	-	-
Less: Additions of new lease liabilities (Note (b) below)	(1,012,000)	(128,000)	-	-
Cash disbursed for new of right-of-use assets	167,087	5,044,429	-	-

5.3.68 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

29. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Bankers' Acceptances RM	Revolving Credits RM	Term Loans RM	Hire Purchase RM	Lease Liabilities RM	Total RM
30.6.2021						
At 1 January 2020	9,254,000	8,383,258	18,643,446	-	1,144,795	37,425,499
Changes in Financing Cash Flows						
Proceeds from drawdown	31,412,622	3,683,756	-	-	-	35,096,378
Repayment of principal	(25,740,622)	(871,025)	(2,163,825)	-	(723,429)	(29,498,901)
Repayment of interests	(584,952)	(975,583)	(1,235,886)	-	(101,729)	(2,898,150)
	5,087,048	1,837,148	(3,399,711)	-	(825,158)	2,699,327
Non-cash Changes						
Acquisition of a new lease (Note (a) above)	-	-	-	-	1,012,000	1,012,000
Interest expense recognised in profit or loss	584,952	975,583	1,235,886	-	101,729	2,898,150
	584,952	975,583	1,235,886	-	1,113,729	3,910,150
At 30 June 2021	14,926,000	11,195,989	16,479,621	-	1,433,366	44,034,976

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5.3.69 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

29. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Group	Bankers' Acceptances RM	Revolving Credits RM	Term Loans RM	Hire Purchase RM	Lease Liabilities RM	Total RM
31.12.2019						
At 31 December 2018, as previously reported	2,997,000	8,414,174	13,191,901	1,607,873	-	26,210,948
Effects on adoption of MFRS 16	-	-	-	(1,607,873)	1,607,873	-
At 1 January 2019, as restated	2,997,000	8,414,174	13,191,901	-	1,607,873	26,210,948
Changes in Financing Cash Flows						
Proceeds from drawdown	12,727,820	2,969,084	7,000,000	-	-	22,696,904
Repayment of principal	(6,470,820)	(3,000,000)	(1,548,455)	-	(427,641)	(11,446,916)
Repayment of interests	(265,772)	(642,037)	(856,665)	-	(84,931)	(1,849,405)
	5,991,228	(672,953)	4,594,880	-	(512,572)	9,400,583
Non-cash Changes						
Deconsolidation of a subsidiary under Creditors' Voluntary winding up	-	-	-	-	(163,437)	(163,437)
Acquisition of a new lease (Note (a) above)	-	-	-	-	128,000	128,000
Interest expense recognised in profit or loss	265,772	642,037	856,665	-	84,931	1,849,405
	265,772	642,037	856,665	-	49,494	1,813,968
At 31 December 2019	9,254,000	8,383,258	18,643,446	-	1,144,795	37,425,499

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5.3.70 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

29. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Company	Lease Liabilities RM	Total RM
30.6.2021		
At 1 January 2020	111,192	111,192
Changes in Financing Cash Flows		
Repayment of principal	(49,211)	(49,211)
Repayment of interests	(6,175)	(6,175)
	(55,386)	(55,386)
Non-cash Changes		
Interest expense recognised in profit or loss	6,175	6,175
At 30 June 2021	61,981	61,981

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5.3.71 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

29. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Company	**Hire Purchase RM**	**Lease Liabilities RM**	**Total RM**
31.12.2019			
At 31 December 2018, as previously reported	177,442	-	177,442
Effects on adoption of MFRS 16	(177,442)	177,442	-
At 1 January 2019, as restated	-	177,442	177,442
<u>Change in Financing Cash Flows</u>			
Repayment of principal	-	(66,250)	(66,250)
Repayment of interests	-	(7,130)	(7,130)
	-	(73,380)	(73,380)
<u>Non-cash Changes</u>			
Interest expense recognised in profit or loss	-	7,130	7,130
At 31 December 2019	-	111,192	111,192

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29. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Interest paid on lease liabilities	101,729	84,931	6,175	7,130
Payment on lease liabilities	723,429	427,641	49,211	66,250
	825,158	512,572	55,386	73,380

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Fixed deposits with licensed banks	20,675,141	561,558	20,507,084	398,558
Cash and bank balances	18,346,075	8,473,046	310,853	178,606
	39,021,216	9,034,604	20,817,937	577,164
Less: Fixed deposits pledged to licensed banks (Note 15(b))	(20,675,141)	(561,558)	(20,507,084)	(398,558)
	18,346,075	8,473,046	310,853	178,606

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5.3.73 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

30. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of 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 period/year are as follows:-

(a) **Directors**

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Directors of the Company				
Short-term employee benefits:				
- fees	429,000	249,226	429,000	249,226
- salaries, bonuses and other benefits	1,413,408	330,049	1,413,408	330,049
- E.I.S. Contribution	142	71	142	71
- Socso Contribution	1,243	622	1,243	622
	1,843,793	579,968	1,843,793	579,968
Defined contribution benefits	145,098	30,266	145,098	30,266
	1,988,891	610,234	1,988,891	610,234
Directors of the Subsidiaries				
Short-term employee benefits:				
- salaries, bonuses and other benefits	1,138,888	334,570	-	-
- E.I.S. Contribution	308	127	-	-
- Socso Contribution	2,693	1,104	-	-
	1,141,889	335,801	-	-
Defined contribution benefits	134,295	38,378	-	-
	1,276,184	374,179	-	-
Total directors' remuneration (Note 24)	3,265,075	984,413	1,988,891	610,234

The estimated monetary value of benefits-in-kind provided by the Group and the Company were RM13,200 (2019 – RMNil) and RMNil (2019 – RMNil) respectively.

5.3.74 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

30. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(a) Directors (Cont'd)

The detailed remuneration of each named Director at Group and subsidiary levels during the current financial period is as follows:

	Fees RM	Salaries, bonuses and other benefits RM	E.I.S Contribution RM	E.P.F. Contribution RM	Socso Contribution RM	Total RM
Group level						
Rosland Bin Othman	54,000	1,219,108	142	145,098	1,243	1,419,591
Shamsul Anuar Bin Ahamad Ibrahim	54,000	47,600	-	-	-	101,600
Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	108,000	28,000	-	-	-	136,000
YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	54,000	36,800	-	-	-	90,800
YBhg. Datu Haji Soedirman Bin Haji Aini	54,000	39,800	-	-	-	93,800
Haji Abdul Hadi Bin Datuk Abdul Kadir	54,000	21,200	-	-	-	75,200
Sr. Mohd Nazri Bin Mat Noor	51,000	20,900	-	-	-	71,900
	429,000	1,413,408	142	145,098	1,243	1,988,891
Subsidiary level						
Chai Tze Khang	-	451,038	142	52,934	1,243	505,357
Mohd Ariff Bin Abd Samat	-	646,000	142	76,321	1,243	723,706
Rashidi Bin Jamani *	-	41,850	24	5,040	207	47,121
	-	1,138,888	308	134,295	2,693	1,276,184
	429,000	2,552,296	450	279,393	3,936	3,265,075

* The director's remuneration has been accounted from his date of appointment.

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5.3.75 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

30. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(b) Other Key Management Personnel

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Short-term employee benefits	1,336,124	482,745	1,307,354	482,745
Defined contribution benefits	156,977	56,833	154,132	56,833
Total compensation for other key management personnel	1,493,101	539,578	1,461,486	539,578

The estimated monetary value of benefits-in-kind provided by the Group and the Company were RM23,466 (2019 – RM16,167) and RM10,266 (2019 – RM16,167) respectively.

31. RELATED PARTY DISCLOSURES

(a) **Identities of Related Parties**

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

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5.3.76 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

31. RELATED PARTY DISCLOSURES (CONT'D)

(b) **Related Party Transactions and Balances**

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial period/year:-

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Interest expense paid or payable to subsidiaries				
- SCIB Concrete Manufacturing Sdn. Bhd.	-	-	43,702	126,240
- SCIB International Labuan Ltd	-	-	443	-
Dividend income from a subsidiary				
- SCIB Holdings Sdn. Bhd.	-	-	-	(4,000,000)
Interest income from subsidiaries				
- SCIB Infraworks Sdn. Bhd.	-	-	(469)	(312)
- SCIB Industrialised Building System Sdn. Bhd.	-	-	(92)	(163)
- SCIB International Labuan Ltd	-	-	(1,113,520)	-
Management fees received or receivable from subsidiaries				
- SCIB Concrete Manufacturing Sdn. Bhd.	-	-	(4,438,399)	(3,190,235)
- SCIB Properties Sdn. Bhd.	-	-	(748,618)	(71)
- SCIB Industrialised Building System Sdn. Bhd.	-	-	(803,873)	(18,621)
- SCIB Infraworks Sdn. Bhd.	-	-	(70,957)	-
- SCIB Holdings Sdn. Bhd.	-	-	(70,957)	-
- SCIB International Labuan Ltd	-	-	(70,957)	-

5.3.77 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

31. RELATED PARTY DISCLOSURES (CONT'D)

(b) **Related Party Transactions and Balances (Cont'd)**

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial period/year:- (Cont'd)

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Rental income from a subsidiary - SCIB Concrete Manufacturing Sdn. Bhd.	-	-	(396,000)	(259,200)
Insurance premium paid or payable to a related party - Transnational Insurance Brokers (M) Sdn. Bhd.	823,571	457,722	114,252	55,138
Purchase of land from a related party - Reignvest Corporation Sdn. Bhd.	-	8,236,000	-	-
Purchase of roofing construction material from a related party - Super Glory Industries Sdn. Bhd.	-	8,652	-	-
Rental expenses paid or payable to a related company - Reignvest Corporation Sdn. Bhd.	-	540,000	-	-
Purchase of safety personal protective equipment from an associate - Edaran Kencana Sdn. Bhd.	3,636	-	-	-
Purchase of property, plant and equipment from an associate - Edaran Kencana Sdn. Bhd.	901,054	-	-	-

31. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related Party Transactions and Balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial period/year:- (Cont'd)

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Consultation fees paid or payable to an associate				
- Edaran Kencana Sdn. Bhd.	1,551,398	-	-	-
Rendering of construction services for an associate				
- Edaran Kencana Sdn. Bhd.	(14,855,231)	-	-	-
Sales of construction materials to related parties				
- Petra Jaya Properties Sdn. Bhd.	-	(730,251)	-	-
- Rekaruang Sdn. Bhd.	-	(63,699)	-	-
Sales of motor vehicle to a director of the Company				
- Haji Zaidi Bin Haji Ahmad	-	(36,000)	-	(36,000)

The outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

5.3.79 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

32. 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 assess 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 3 main reportable segments as follows:-

- Manufacturing/Corporate Segment – involved in the manufacturing and sale of precast concrete pipes, prestressed spun concrete piles and other related concrete products, and investment holding.

- Property Trading Segment – involved in the business of property dealing and trading of properties.

- Construction/EPCC Segment/Project Management Segment – involved in the 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 and other related services.

(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-segment transactions are eliminated on consolidation

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5.3.80 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS

	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
Financial period from 1.1.2020 to 30.6.2021					
Revenue					
External revenue	105,696,449	-	93,267,844	-	198,964,293
Inter-segment revenue	6,599,761	462,788	-	(7,062,549)	-
	112,296,210	462,788	93,267,844	(7,062,549)	198,964,293
Represented by:-					
Revenue recognised at a point of time					
- Sales of goods	105,696,449	-	-	-	105,696,449
Revenue recognised over time					
- Construction services	-	-	29,044,648	-	29,044,648
- Project management fee	-	-	64,223,196	-	64,223,196
Revenue from other sources					
- Management fees from subsidiaries	6,203,761	462,788	-	(6,666,549)	-
- Rental income	396,000	-	-	(396,000)	-
	112,296,210	462,788	93,267,844	(7,062,549)	198,964,293

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5.3.81 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
Financial period from 1.1.2020 to 30.6.2021 (cont'd)					
Results					
Segment profit/(loss)	15,950,647	4,528	(9,343,675)	2,006,460	8,617,960
Finance costs	(2,936,470)	-	(1,273,024)	1,311,053	(2,898,441)
Share of results in an associate	-	-	-	2,548	2,548
Consolidated profit/(loss) before taxation	13,014,177	4,528	(10,616,699)	3,320,061	5,722,067
Segment profit/(loss) includes the followings:-					
Interest income	(1,529,228)	-	(461,902)	1,311,053	(680,077)
Interest expenses	2,846,343	-	1,261,422	(1,311,053)	2,796,712
Interest expense on lease liabilities	90,127	-	11,602	-	101,729
Depreciation of property, plant and equipment	4,871,025	54,136	1,151	(349,778)	4,576,534
Depreciation of right-of-use assets	1,046,206	75,580	21,233	280,682	1,423,701
Inventories written down	241,563	134,601	-	-	376,164
Inventories written off	432,648	-	-	-	432,648
Impairment losses on:-					
- trade receivables	2,824,206	-	60,676,506	-	63,500,712
- other receivables	-	-	3,645,436	-	3,645,436
Reversal of impairment losses on trade receivables	(96,853)	-	-	-	(96,853)
Property, plant and equipment written off	2,240	-	-	-	2,240
Gain on disposal of property, plant and equipment	(28,781)	-	-	-	(28,781)
Share of profit of associate	-	-	-	(2,548)	(2,548)

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5.3.82 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
Financial period from 1.1.2020 to 30.6.2021 (cont'd)					
Results (cont'd)					
Segment profit/(loss) includes the followings:- (cont'd)					
Net proceeds from termination of Share Sale Agreement	(22,778,553)	-	-	-	(22,778,553)
Gain on foreign exchange - unrealised	-	-	(148,069)	-	(148,069)
30.6.2021					
Assets					
Segment assets	263,251,457	3,317,976	648,668,780	(153,378,397)	761,859,816
Additions to non-current assets other than financial instruments are:-					
Property, plant and equipment	2,851,199	757,428	3,311,068	-	6,919,695
Right-of-use assets	515,216	518,271	145,600	-	1,179,087
Liabilities					
Segment liabilities	74,967,093	28,703,565	639,667,009	(79,850,093)	663,487,574

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5.3.83 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
Financial year from 1.1.2019 to 31.12.2019					
Revenue					
External revenue	77,511,131	(365,330)	8,902,003	-	86,047,804
Inter-segment revenue	11,676,470	-	-	(11,676,470)	-
	89,187,601	(365,330)	8,902,003	(11,676,470)	86,047,804
Represented by:-					
Revenue recognised at a point of time					
- Sales of goods	77,719,474	-	334,825	(208,343)	77,845,956
- Cancellation of sales of property	-	(365,330)	-	-	(365,330)
Revenue recognised over time					
- Construction services	-	-	8,567,178	-	8,567,178
Revenue from other sources					
- Management fees from subsidiaries	3,208,927	-	-	(3,208,927)	-
- Dividend income	8,000,000	-	-	(8,000,000)	-
- Rental income	259,200	-	-	(259,200)	-
	89,187,601	(365,330)	8,902,003	(11,676,470)	86,047,804

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5.3.84 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
Financial year from 1.1.2019 to 31.12.2019					
Results					
Segment profit/(loss)	10,737,751	(73,525)	1,578,210	(7,198,146)	5,044,290
Finance costs	(1,978,458)	(1,882)	(35,821)	165,370	(1,850,791)
Consolidated profit/(loss) before taxation	8,759,293	(75,407)	1,542,389	(7,032,776)	3,193,499
Segment profit/(loss) includes the followings:-					
Interest income	(317,892)	-	(83,602)	165,370	(236,124)
Interest accretion from profit guarantee receivable	(427,253)	-	-	-	(427,253)
Interest expenses	1,893,527	1,882	35,821	(165,370)	1,765,860
Interest expense on lease liabilities	84,931	-	-	-	84,931
Bad debts written off	39,802	-	-	-	39,802
Depreciation of property, plant and equipment	2,908,344	-	-	183,131	3,091,475
Depreciation of right-of-use assets	344,335	-	-	279,806	624,141
Inventories written down	30,668	-	-	-	30,668
Inventories written off	567,087	-	-	-	567,087
Impairment losses on:-					
- trade receivables	182,624	-	-	-	182,624
- other receivables	273,365	-	-	-	273,365
Reversal of impairment losses on trade receivables	(169,572)	(22,389)	(581,267)	-	(773,228)
Preliminary expenses written off	-	-	12,367	-	12,367
Property, plant and equipment written off	312	-	-	-	312
Gain on disposal of property, plant and equipment	(102,235)	-	-	-	(102,235)
Gain on disposal of right-of-use assets	(35,999)	-	-	-	(35,999)
Loss on foreign exchange - unrealised	-	-	12,591	-	12,591

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5.3.85 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
31.12.2019					
Assets					
Segment assets	183,338,777	1,604,884	8,768,576	(77,603,209)	116,109,028
Additions to non-current assets other than financial instruments are:-					
Property, plant and equipment	4,548,421	-	-	-	4,548,421
Right-of-use assets	5,172,429	-	-	-	5,172,429
Other assets	1,300,000	-	-	-	1,300,000
Liabilities					
Segment liabilities	56,604,598	69,614	8,725,019	(1,290,921)	64,108,310

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5.3.86 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

	Revenue		Non-Current Assets	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Malaysia	134,741,097	81,358,938	46,558,184	44,200,545
Indonesia	536,418	1,110,046	-	-
Oman	24,677,383	1,439,603	-	-
Qatar	39,009,395	2,139,217	-	-
	198,964,293	86,047,804	46,558,184	44,200,545

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At A Point in Time		Over Time		The Group	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Malaysia	105,233,661	77,480,626	29,507,436	3,878,312	134,741,097	81,358,938
Indonesia	-	-	536,418	1,110,046	536,418	1,110,046
Oman	-	-	24,677,383	1,439,603	24,677,383	1,439,603
Qatar	-	-	39,009,395	2,139,217	39,009,395	2,139,217
	105,233,661	77,480,626	93,730,632	8,567,178	198,964,293	86,047,804

5.3.87 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.3 MAJOR CUSTOMER

The following is the major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue		Segment
	Financial period from 1.1.2020 to 30.6.2021 RM	**Financialyear from 1.1.2019 to 31.12.2019 RM**	
Customer #1	-	9,862,438	Manufacturing/corporate
Customer #2	24,677,864	-	Project management

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5.3.88 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

33.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) **Market Risk**

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk is primarily United States Dollar ("USD") and Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	**United States Dollar RM**	**Euro RM**	**Ringgit Malaysia RM**	**Total RM**
30.6.2021				
Financial Assets				
Trade receivables	-	-	47,014,962	47,014,962
Other receivables	3,393,170	-	8,915,529	12,308,699
Fixed deposits with licensed banks	-	-	20,675,141	20,675,141
Cash and bank balances	1,769,812	393,313	16,182,950	18,346,075
	5,162,982	393,313	92,788,582	98,344,877

5.3.89 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Euro RM	Ringgit Malaysia RM	Total RM
30.6.2021				
Financial Liabilities				
Trade payables	-	-	34,707,039	34,707,039
Other payables and accruals	5,633,320	-	6,519,936	12,153,256
Bank borrowings	-	-	42,601,610	42,601,610
Lease liabilities	-	-	1,433,366	1,433,366
	5,633,320	-	85,261,951	90,895,271
Net financial (liabilities)/ assets	(470,338)	393,313	7,526,631	7,449,606
Less: Net financial assets denominated in the respective entities' functional currency	-	-	(7,526,631)	(7,526,631)
Currency Exposure	(470,338)	393,313	-	(77,025)

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5.3.90 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Euro RM	Ringgit Malaysia RM	Total RM
31.12.2019				
Financial Assets				
Other assets	-	-	6,189,520	6,189,520
Trade receivables	4,434,561	-	26,466,482	30,901,043
Other receivables	-	-	199,804	199,804
Fixed deposits with licensed banks	-	-	561,558	561,558
Cash and bank balances	-	-	8,473,046	8,473,046
	4,434,561	-	41,890,410	46,324,971
Financial Liabilities				
Trade payables	3,937,837	-	20,102,720	24,040,557
Other payables and accruals	-	-	2,605,740	2,605,740
Bank borrowings	-	-	36,280,704	36,280,704
Lease liabilities	-	-	1,144,795	1,144,795
	3,937,837	-	60,133,959	64,071,796
Net financial assets/(liabilities)	496,724	-	(18,243,549)	(17,746,825)
Less: Net financial liabilities denominated in the respective entities' functional currency	-	-	18,243,549	18,243,549
Currency Exposure	496,724	-	-	496,724

5.3.91 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM	Euro RM	Ringgit Malaysia RM	Total RM
30.6.2021				
Financial Assets				
Other receivables	-	-	31,721	31,721
Amount owing by subsidiaries	28,772,526	-	23,826,308	52,598,834
Fixed deposits with licensed banks	-	-	20,507,084	20,507,084
Cash and bank balances	-	-	310,853	310,853
	28,772,526	-	44,675,966	73,448,492
Financial Liabilities				
Other payables and accruals	1,185,735	-	1,780,452	2,966,187
Amount owing to a subsidiary	-	-	457,553	457,553
Lease liabilities	-	-	61,981	61,981
	1,185,735	-	2,299,986	3,485,721
Net financial assets	27,586,791	-	42,375,980	69,962,771
Less: Net financial assets denominated in the Company's functional currency	-	-	(42,375,980)	(42,375,980)
Currency Exposure	27,586,791	-	-	27,586,791

5.3.92 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM	Euro RM	Ringgit Malaysia RM	Total RM
31.12.2019				
Financial Assets				
Other assets	-	-	6,189,520	6,189,520
Trade receivables	4,434,561	-	-	4,434,561
Other receivables	-	-	11,380	11,380
Amount owing by subsidiaries	-	-	13,076	13,076
Fixed deposits with licensed banks	-	-	398,558	398,558
Cash and bank balances	-	-	178,606	178,606
	4,434,561	-	6,791,140	11,225,701
Financial Liabilities				
Trade payables	3,937,837	-	-	3,937,837
Other payables and accruals	-	-	434,940	434,940
Amount owing to a subsidiary	-	-	169,804	169,804
Lease liabilities	-	-	111,192	111,192
	3,937,837	-	715,936	4,653,773
Net financial assets	496,724	-	6,075,204	6,571,928
Less: Net financial assets denominated in the Company's functional currency	-	-	(6,075,204)	(6,075,204)
Currency Exposure	496,724	-	-	496,724

5.3.93 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currency at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	**Financial year from 1.1.2019 to 31.12.2019 RM**	**Financial period from 1.1.2020 to 30.6.2021 RM**	**Financial year from 1.1.2019 to 31.12.2019 RM**
Effects On (Loss)/Profit After Taxation				
USD/RM				
- strengthened by 10%	(35,746)	37,751	2,096,596	37,751
- weakened by 10%	35,746	(37,751)	(2,096,596)	(37,751)
EUR/RM				
- strengthened by 10%	29,892	-	-	-
- weakened by 10%	(29,892)	-	-	-

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5.3.94 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 19.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

		The Group		**The Company**
	Financial period from 1.1.2020 to 30.6.2021 RM	**Financial year from 1.1.2019 to 31.12.2019 RM**	**Financial period from 1.1.2020 to 30.6.2021 RM**	**Financial year from 1.1.2019 to 31.12.2019 RM**
Effects On (Loss)/Profit After Taxation				
Increase of 25 basis points	(80,943)	(68,934)	-	-
Decrease of 25 basis points	80,943	68,934	-	-

5.3.94 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the results of this subsidiary regularly and repayments made by the subsidiary.

(i) Credit Risk Concentration Profile

The Group's and the Company's major concentration of credit risk relates to the amount owing by 1 (2019 – 2) and Nil (2019 – 3) customers respectively which constitute approximately 37% (2019 – 23%) and Nil% (2019 – 100%) respectively of its trade receivables at the end of the reporting period.

(ii) Exposure to Credit Risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is presented by:

• The carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses.

• A nominal amount of RM43,148,058 (2019 – RM37,314,307) relating to corporate guarantee provided by the Company to a subsidiary's borrowings.

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than 90 days, are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 18 months (2019: 12 months) from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments.

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
30.6.2021				
1 to 90 days	95,009,518	-	(176,775)	94,832,743
91 to 120 days	99,340,749	-	(115,655)	99,225,094
121 to 150 days	74,351,568	-	(131,602)	74,219,966
151 to 180 days	74,190,488	-	(106,395)	74,084,093
More than 180 days	328,896,151	(62,468,806)	(651,698)	265,775,647
Trade receivables	671,788,474	(62,468,806)	(1,182,125)	608,137,543
Less: Non-financial instruments	(561,122,581)	-	-	(561,122,581)
	110,665,893	(62,468,806)	(1,182,125)	47,014,962
Contract assets	1,069	-	-	1,069
	110,666,962	(62,468,806)	(1,182,125)	47,016,031

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5.3.98 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:- (Cont'd)

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
31.12.2019				
1 to 90 days	23,341,571	-	-	23,341,571
91 to 120 days	1,406,914	-	-	1,406,914
121 to 150 days	1,020,446	-	-	1,020,446
151 to 180 days	939,812	-	-	939,812
More than 180 days	4,439,372	(194,874)	(52,198)	4,192,300
Trade receivables	31,148,115	(194,874)	(52,198)	30,901,043
Contract assets	199,486	-	-	199,486
	31,347,601	(194,874)	(52,198)	31,100,529

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5.3.99 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:- (Cont'd)

The Company	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
30.6.2021				
1 to 90 days	-	-	-	-
91 to 120 days	27,616,026	-	-	27,616,026
121 to 150 days	5,114,518	-	-	5,114,518
151 to 180 days	5,974,848	-	-	5,974,848
More than 180 days	40,234,512	(11,857,355)	-	28,377,157
Trade receivables	78,939,904	(11,857,355)	-	67,082,549
Less: Non-financial instruments	(67,082,549)	-	-	(67,082,549)
	11,857,355	(11,857,355)	-	-

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:- (Cont'd)

The Company	**Gross Amount RM**	**Individual Impairment RM**	**Collective Impairment RM**	**Carrying Amount RM**
31.12.2019				
1 to 90 days	4,434,561	-	-	4,434,561
Trade receivables	4,434,561	-	-	4,434,561
Contract assets	199,486	-	-	199,486
	4,634,047	-	-	4,634,047

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 11 and 13 to the financial statements respectively.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9. The identified impairment loss is disclosed in Note 12 to the financial statements.

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5.3.101 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-trade Balances)

The information about the exposure to credit risk and the loss allowances calculated for the amount owing by subsidiaries are summarised below:-

The Company	**Gross Amount RM**	**Lifetime Loss Allowance RM**	**Carrying Amount RM**
30.6.2021			
Low credit risk	45,884,341	-	45,884,341
Credit impaired	10,094,105	(3,379,612)	6,714,493
	55,978,446	(3,379,612)	52,598,834
31.12.2019			
Low credit risk	45	-	45
Credit impaired	13,031	-	13,031
	13,076	-	13,076

The movements in the loss allowances are disclosed in Note 14.

Financial Guarantee Contracts

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.

5.3.103 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

(iii) Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
30.6.2021						
Non-derivative Financial Liabilities						
Trade payables	-	34,707,039	34,707,039	34,707,039	-	-
Other payables and accruals	-	12,153,256	12,153,256	11,971,906	119,188	62,162
Bank borrowings	3.25% - 6.70%	42,601,610	47,751,613	28,520,483	9,084,393	10,146,737
Lease liabilities	2.12% - 6.55%	1,433,366	1,554,502	626,826	905,444	22,232
		90,895,271	96,166,410	75,826,254	10,109,025	10,231,131

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5.3.104 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
31.12.2019						
Non-derivative Financial Liabilities						
Trade payables	-	24,040,557	24,040,557	24,040,557	-	-
Other payables and accruals	-	2,605,740	2,605,740	2,418,756	93,447	93,537
Bank borrowings	4.00% - 7.45%	36,280,704	43,990,961	19,620,505	11,775,054	12,595,402
Lease liabilities	4.67% - 6.55%	1,144,795	1,243,691	470,328	773,363	-
		64,071,796	71,880,949	46,550,146	12,641,864	12,688,939

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5.3.105 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
30.6.2021						
Non-derivative Financial Liabilities						
Other payables and accruals	-	2,966,187	2,966,187	2,920,972	38,890	6,325
Lease liabilities	4.76%	61,981	64,579	36,924	27,655	-
Amount owing to a subsidiary	3.50%	457,553	473,307	473,307	-	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	43,148,058	43,148,058	-	-
		3,485,721	46,652,131	46,579,261	66,545	6,325

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5.3.106 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
31.12.2019						
Non-derivative Financial Liabilities						
Trade payables	-	3,937,837	3,937,837	3,937,837	-	-
Other payables and accruals	-	434,940	434,940	395,589	33,929	5,422
Lease liabilities	4.76%	111,192	119,965	36,924	83,041	-
Amount owing to a subsidiary	3.50%	169,804	175,747	175,747	-	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	37,314,307	37,314,307	-	-
		4,653,773	41,982,796	41,860,404	116,970	5,422

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5.3.107 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

The contractual undiscounted cash flows represent the outstanding credit facilities of a subsidiary at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

33.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group 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 may make 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 manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Trade payables*	595,829,620	24,040,557
Other payables and accruals	12,153,256	2,605,740
Bank borrowings	42,601,610	36,280,704
Lease liabilities	1,433,366	1,144,795
	652,017,852	64,071,796
Less: Cash and bank balances	(18,346,075)	(8,473,046)
Net debt	633,671,777	55,598,750
Total equity	98,372,242	52,000,718
Debt-to-equity ratio	6.44	1.07

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5.3.108 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 CAPITAL RISK MANAGEMENT (CONT'D)

* *Included is RM561,122,581 which is related to the Settlement Agreement as disclosed in Note 36.8. Based on the Settlement Agreement, these payables have been guaranteed and should this be excluded the following shows the debt-to-equity ratio:-*

	The Group	
	30.6.2021	**31.12.2019**
Net debt (as above)	633,671,777	55,598,750
Less: Trade payables due to sub-contractors	(561,122,581)	-
Net debt revised	72,549,196	55,598,750
Debt-to-equity ratio revised	0.74	1.07

There was no change in the Group's approach to capital management during the financial period/year.

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5.3.109 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
Financial Assets				
Amortised Cost				
Other assets	-	6,189,520	-	6,189,520
Trade receivables	47,014,962	30,901,043	-	4,434,561
Other receivables	12,308,699	199,804	31,721	11,380
Amount owing by subsidiaries	-	-	52,598,834	13,076
Fixed deposits with licensed banks	20,675,141	561,558	20,507,084	398,558
Cash and bank balances	18,346,075	8,473,046	310,853	178,606
	98,344,877	46,324,971	73,448,492	11,225,701
Financial Liabilities				
Amortised Cost				
Trade payables	34,707,039	24,040,557	-	3,937,837
Other payables and accruals	12,153,256	2,605,740	2,966,187	434,940
Amount owing to a subsidiary	-	-	457,553	169,804
Bank borrowings	42,601,610	36,280,704	-	-
Lease liabilities	1,433,366	1,144,795	61,981	111,192
	90,895,271	64,071,796	3,485,721	4,653,773

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM	Financial period from 1.1.2020 to 30.6.2021 RM	Financial year from 1.1.2019 to 31.12.2019 RM
Financial Assets				
Amortised Cost				
Net (losses)/gains recognised in profit or loss	(41,882,905)	1,189,055	7,966,658	383,048
Financial Liabilities				
Amortised Cost				
Net (losses)/gains recognised in profit or loss	(4,044,647)	(1,706,989)	463,018	(92,143)

33.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

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5.3.111 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

34. CAPITAL COMMITMENTS

		The Group
	30.6.2021	**31.12.2019**
	RM	**RM**
Purchase of property, plant and equipment:-		
Approved and contracted for	6,564,440	98,107
Approved but not contracted for	10,779,782	2,952,618
	17,344,222	3,050,725

35. CONTINGENT LIABILITIES

		The Company
	30.6.2021	31.12.2019
	RM	RM
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	43,148,058	37,314,307

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36. SIGNIFICANT AND SUBSEQUENT EVENTS

36.1 LITIGATION BETWEEN SARAWAK CONSOLIDATED INDUSTRIES BERHAD WITH ASGARI BIN MOHD FUAD STEPHENS, BRIAN FRANCIS TICCIONI AND GAYA BELIAN SDN. BHD.

On 28 December 2016, the Company entered into a conditional share sale agreement with Gaya Belian Sdn. Bhd. ("GBSB"), Brian Francis Ticcioni and Asgari Bin Mohd Fuad Stephens (the "Sellers") for the acquisition of 4,463,640 ordinary shares of RM1 each representing the entire equity interest in Carlton Gardens Sdn. Bhd. ("CGSB") for a total purchase price of RM9,500,000, which is satisfied by via a combination of cash amounted to RM5,266,000 and the issuance of 7,300,000 new ordinary shares at an issue price of RM0.58 per share. The acquisition was completed on 1 July 2017.

In addition to the purchase consideration, an amount of RM7,191,236 will be refunded by the Sellers in the event that CGSB fails to achieve a profit before taxation amounting to at least RM7,191,236 from the date of acquisition up to the financial year ended 31 December 2018.

On 19 April 2018, the Board of Directors issued a Notice of Termination to the respective Vendors terminating the Share Sale Agreement and demanding for refund of the whole of the Purchase Consideration and re-transfer all the shares allotted to the Sellers as part of the Purchase Consideration and restrain from transferring, disposing or dealing with the shares transferred to them.

On 10 December 2020, the Company has entered into a Settlement Agreement with the Sellers of which the agreement shall constitute full and final settlement of all disputes, conflicts, claims, allegations, actions, obligations, demands, suits and/or legal proceedings upon fulfillment of all the obligations in the Settlement Agreement.

The Company shall pay RM9,500,000 ("Settlement Sum") to GBSB as a full and final settlement, and on 15 December 2020, the sum of RM9,281,000.00, i.e. the Settlement Sum less GBSB Portion (as defined below), was duly paid to GBSB's solicitors.

The parties obtained and recorded a consent order on 11 December 2020 at the High Court in Kota Kinabalu ("Consent Order") setting out the following terms:

a. the SSA be terminated as at the date of the Consent Order;

b. the Sellers shall transfer 6,878,500 shares in SCIB to SCIB's named nominee and deliver a duly executed transfer form to give effect to the said transfer of shares; and

c. SCIB shall pay the Settlement Sum to GBSB as full and final settlement of the dispute in connection with the SSA.

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36. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

36.1 LITIGATION BETWEEN SARAWAK CONSOLIDATED INDUSTRIES BERHAD WITH ASGARI BIN MOHD FUAD STEPHENS, BRIAN FRANCIS TICCIONI AND GAYA BELIAN SDN. BHD. (CONT'D)

The terms of the Settlement Agreement had been successfully completed and the case is now closed.

The parties had entered into the Compromise Agreement on 11 December 2020 to settle all the disputes and towards the full and final settlement of all disputes. The parties agree that upon the Liquidator's receipt of both RM219,000 from GBSB ("GBSB Portion") and RM219,000 from SCIB ("SCIB Portion"), the Compromise Agreement shall constitute full and final settlement of all disputes, conflicts, claims, allegations, actions, obligations, demands, suits and/or legal proceeding arising from or in connection with all matters constituting the disputes and the other proofs of debt by SCIB, GBSB and SCIB Concrete Manufacturing Sdn. Bhd.. The sums were duly released to Liquidator's solicitors on 14 December 2020.

The terms of the Compromise Agreement had been successfully completed and the case is now closed.

36.2 CORONAVIRUS OUTBREAK

The coronavirus (COVID-19) outbreak in early 2020 has reached a pandemic level affecting all businesses and economic activities globally. The Malaysian Government has enforced various measures to curb with the spreading of the virus including travel restrictions, reduced business operating capacity and total prohibition for certain businesses to operate.

The Group is unable to reasonably estimate the financial impact of COVID-19 for the financial year ending 30 June 2022 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. The Group will continuously monitor the impact of COVID-19 on its operations and its financial performance and will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's operations.

36.3 PROPOSED BUSINESS VENTURE

On 17 June 2020, the Company's wholly-owned subsidiary, SCIB International (Labuan) Ltd. has accepted to invest in a venture comprising two (2) hydro power projects in Nepal, namely Middle Hongu Khola A Hydro Power Plant and Middle Hongu Khola B Hydro Power Plant ("Projects") through 30% equity (which is based on the Power Purchase Agreement ("PPA") valuation at USD40.410 million equivalent to 30% of estimated project cost) participation and to assume the role as Civil Contractor for the construction of works and as Supplier for construction materials ("Proposed Business Venture") and the estimated revenue would be RM188.580 million (USD47.145 million). A commitment fee of RM10.776 million (USD2.684 million), equivalent to 1/3 of the Equity Valuation at PPA Stage) is payable, and RM10.000 million has been paid as at 30 June 2021, as disclosed in Note 12.

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36. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

36.4 ACQUISITION OF A SUBSIDIARY

The Company had on 14 April 2021 entered into a conditional Share Sale Agreement ("SSA") with Noorazylawati Binti Abdul Bakar, Mohd Khairil Bin Mohd Hatta and Ibrahim Bin Mohd Noor for the acquisition of 1,000,000 ordinary shares, representing the entire equity interest in Kencana Precast Concrete Sdn. Bhd. ("KPC") for a total cash consideration of RM4,980,000 in accordance with the terms and conditions thereof ("Proposed Acquisition").

The Parties have on 11 August 2021 entered into a Supplemental Agreement to record the Parties' mutual consent to vary and supplement the Principal Agreement in the manner as set out in the Supplemental Agreement, mainly related to inclusion of an additional party as a vendor which is Bintang Kencana Sdn. Bhd..

On 16 August 2021, all the Conditions Precedent as set out in the SSA in relation to the Proposed Acquisition of KPC have been fulfilled. The SSA was completed on 30 August 2021 and the registration of share transfer was completed on 10 December 2021.

Upon the completion of the Proposed Acquisition, KPC will become a wholly-owned subsidiary of the Company.

36.5 PRIVATE PLACEMENT

On 3 May 2021, the Company proposed to undertake a private placement of issuance of up to 20% of the total number of issued shares of the Company or equivalent to 147,158,999 new ordinary shares of the Company to third party investor(s) to be identified later, pursuant to Section 75 and 76 of the Companies Act, 2016 ("The Act").

On 27 August 2021, 10,789,332 new ordinary shares were issued at an issue price of RM0.5823 per share. On 13 September 2021, 24,638,200 new ordinary shares were issued under this corporate proposal at an issue price of RM0.5675 per share. On 14 October 2021, 56,000,000 new ordinary shares were issued at an issue price of RM0.4300 per share.

On 22 December 2021, the Company announced that the private placement is deemed completed and the Company has decided not to proceed to place out the remaining placement shares under the private placement.

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5.3.115 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

36. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

36.6 CAPITAL REDUCTION

On 8 June 2021, the Company has proposed a reduction in the issued share capital of the Company pursuant to Section 116 of the Act. The Capital Reduction entails the reduction of RM40.00 million of the issued share capital of the Company which is lost and unrepresented by available assets pursuant to Section 116(1)(b) of the Act. The corresponding credit of RM40.00 million arising from the Capital Reduction will be utilised to eliminate the accumulated losses of the Company while the balance, if any, will be credited to the retained earnings account of the Company which may be utilised in such manner as the Board deems fit, as permitted by the relevant and applicable laws, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as the Company's Constitution.

The special resolution on the proposed reduction of capital has been approved by the shareholders at the extraordinary general meeting held on 30 June 2021. Thereafter, the Company's legal counsel had filed an application to the High Court in relation to the Capital Reduction pursuant to Section 116 of the Act on 21 September 2021.

The effective date of the Proposed Capital Reduction will be the date of lodgement of the sealed court order of the High Court confirming the Proposed Capital Reduction with the Registrar of Companies pursuant to Section 116(6) of the Act. On 2 November 2021, the High Court of Malaya granted an order confirming the Capital Reduction. The sealed order will be extracted and an office copy of the order will be lodged with the Registrar of Companies for the Capital Reduction to take effect pursuant to Section 116(6) of the Act.

The Company confirmed that the Capital Reduction has been lodged with the Registrar of Companies on 15 November 2021. Pursuant thereto, the Capital Reduction shall therefore take effect and be deemed completed on 15 November 2021, as confirmed by the Notice of Confirming Reduction of Share Capital dated 25 November 2021 pursuant to Section 116(7) of the Act.

36.7 LITIGATION BETWEEN SCIB PROPERTIES SDN. BHD. WITH PUNCAK GEMILANG MELATI SDN. BHD.

On 24 June 2021, the Company's wholly-owned subsidiary, SCIB Properties Sdn. Bhd. ("SCIBP") filed a civil suit against Puncak Gemilang Melati Sdn. Bhd. ("PGM") for the return of the sum of RM1,000,000 previously paid in light of PGMSB having no legal standing to have issued a Letter of Award for the position of subcontractor to SCIBP. PGM has counterclaimed, among others, for a declaration that the Letter of Award issued to SCIBP is valid and binding and for damages in the sum of RM22,100,000 for alleged loss of profit, exemplary damages and legal fees.

The Case Management of the main suit has been fixed on 17 February 2022.

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5.3.116 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

36. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

36.8 TERMINATION OF THE CONTRACTS IN RELATION TO QATAR AND OMAN PROJECTS

The Company and its wholly-owned subsidiary, SCIB International (Labuan) Ltd. had on 10 November 2021 signed the respective Settlement Agreements with their Clients, who are the Project Owners, and the respective subcontractors for six projects carried out in Qatar and Oman that have been awarded to the Group. The salient terms of the said agreements were to terminate the Contracts and confirm the Parties' obligations on the full and final settlement of debts and establish the terms and payment schedule for the amount owing between the Parties, after taking into consideration the following factors:

a. The project progress was greatly affected by the manpower issues caused by the COVID-19 pandemic;

b. The prolonged pandemic and travelling and operational restrictions posed challenges in the project management; and

c. Slow payment and long outstanding debts owing by the Project Owners.

The final outstanding balances of the six projects with Settlement Agreements are reflected in the financial statements aggregating to:

Trade receivables (Others) (Due from Project Owners – Note 11(c))	RM561,122,581
Trade payables (Due to Sub-contractors – Note 21(c))	RM561,122,581

The terms of the Settlement Agreements states that the Project Owners have guaranteed their obligations for settlement of the receivables and they have also guaranteed the payments to the sub-contractors in the event that the Settlement Agreements are terminated due to the non-compliance of the payment schedules. Based on the guarantee, the Group's liability to the sub-contractors can be assumed to be novated to the Project Owners and set-off against the receivables due. The final claims stated in the Settlement Agreements are consistent with the provisions that were taken up in the financial statements.

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37. COMPARATIVE FIGURES

a. The comparative figures are derived from financial statements audited by a firm of chartered accountants other than Nexia SSY PLT.

b. During the financial period, the Company changed its financial year from 31 December 2020 to 30 June 2021. Accordingly, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and the related notes are for twelve months from 1 January 2019 to 31 December 2019, and are therefore not comparable.

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5.3.118 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Rosland Bin Othman and Shamsul Anuar Bin Ahamad Ibrahim, being two of the directors of Sarawak Consolidated Industries Berhad, state that, in the opinion of the directors, the financial statements set out on pages 103 to 222 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 financial position of the Group and of the Company as of 30 June 2021 and of their financial performance and cash flows for the financial period ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 December 2021.

Rosland Bin Othman

Shamsul Anuar Bin Ahamad Ibrahim

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Chiew Jong Wei, MIA Membership Number: 38656, being the officer primarily responsible for the financial management of Sarawak Consolidated Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 103 to 222 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Chiew Jong Wei, NRIC Number: 750625-13-5435
at Kuching in the State of Sarawak
on this 30 December 2021.

Before me

Chiew Jong Wei

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5.3.119 INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK CONSOLIDATED INDUSTRIES BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of Sarawak Consolidated Industries Berhad, which comprise the statements of financial position as at 30 June 2021 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 of the Group and of the Company for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 103 to 222.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, 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 2021, and of their financial performance and their cash flows for the period 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 Qualified Opinion

Engineering, Procurement, Construction and Commissioning ("EPCC") Contracts

Subsequent to the financial period end of the Company, the Company and its wholly owned subsidiary, SCIB International (Labuan) Ltd ("SCIBIL"), have on 10 November 2021 signed settlement agreements ("Settlement Agreements") with all the parties of the six projects carried out in Qatar and Oman, as disclosed in Note 36.8 to the financial statements. The key salient terms of the Settlement Agreements are as follows:

1. To terminate the EPCC contracts;

2. Confirmation of the amounts owing from and to the respective parties in respect of the works carried out for the project with no penalty and/or punitive damages to be claimed by the parties;

3. Settlement of the debts will be solely dependent on collections from Project Owners. In the event the agreed instalments are not paid in full or progressively on due dates and/or ceased, payments to the Sub-Contractors shall also be delayed and/or ceased;

4. The Project Owners have agreed to guarantee the payments owing by them to the Company and SCIBIL as at 30 September 2021 (Debt 1) of USD148,706,410 (RM617,429,014) and by the Company and SCIBIL to the Sub-Contractors (Debt 2) of USD135,145,130 (RM561,122,581) and indemnify the Company and SCIBIL against all claims by the Sub-Contractors; and

5. The Settlement Agreements shall be terminated in the event that any one of the payments are not made according to the schedule. The payment instalment deadlines pursuant to the agreements are November 2021, December 2021, March 2022 and June 2022.

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5.3.120 INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK CONSOLIDATED INDUSTRIES BERHAD (CONT'D)

Basis for Qualified Opinion (Cont'd)

Engineering, Procurement, Construction and Commissioning ("EPCC") Contracts (Cont'd)

The Company had made the relevant announcements of the above Settlement Agreements to Bursa on 10 November 2021.

In the event of termination of the Settlement Agreements, Debt 1 owing by the Project Owners to the Company and SCIBIL shall become immediately due and payable upon which the Company and SCIBIL may commence arbitration proceedings for the recovery of Debt 1. Notwithstanding the above, the Sub-Contractors collectively agree that the amounts received by them towards Debt 2 shall be deemed to be the full and final settlement of Debt 2 payment and that they will have no claims in respect of Debt 2 against the Company and SCIBIL. Up to the date of our report, the Company and SCIBIL have indicated that the November and December 2021 instalments of the six settlement agreements have not been paid by the Project Owners.

Following the Settlement Agreements signed on 10 November 2021 by all the parties, the Directors of the Company resolved to reclassify the transactions relating to all eight projects based overseas (inclusive of the six projects carried out in Qatar and Oman) by disclosing the net amount due to the Group and to the Company of USD15,670,756 (RM64,223,196) and USD4,246,080 (RM17,847,637) respectively as project management fee. Consequently, the Group and the Company have made adjustments to the financial statements, the details of which are disclosed in Note 22 to the financial statements.

We were unable to obtain sufficient appropriate audit evidence about the EPCC Contracts and all the adjustments related thereto. Accordingly, the impact of the net profit recognised in the Statement of Profit or Loss and Other Comprehensive Income of the Group as disclosed, amounting to RM3,549,473 has not been ascertained. Consequently, we were unable to determine whether the said adjustments were deemed necessary.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISA"). 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 qualified 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.

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5.3.121 INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK CONSOLIDATED INDUSTRIES BERHAD (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information included in the 2021 Annual Report. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control which were obtained prior to the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The other sections of the 2021 Annual Report are expected to be made available to us subsequently.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence about the EPCC Contracts and all the adjustments related thereto. Accordingly, the impact of the net profit recognised in the Statement of Profit or Loss and Other Comprehensive Income of the Group as disclosed, amounting to RM3,549,473 has not been ascertained. Consequently, we were unable to determine whether the said adjustments were deemed necessary. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the annual report affected by the inability to obtain sufficient appropriate audit evidence about the EPCC projects.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current period. Matters giving rise to a modified opinion are by their nature key audit matters and consequently the matters described in our Basis for Qualified Opinion section of our report has addressed the key audit matters and we have determined that there are no other key audit matters to communicate in our report.

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.

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5.3.122 INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK CONSOLIDATED INDUSTRIES BERHAD (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 of 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 a 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.

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5.3.123 INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK CONSOLIDATED INDUSTRIES BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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 period 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Other Matters

1. The financial statements of the Group and of the Company for the financial year ended 31 December 2019 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 30 April 2020.

2. 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 content of this report.

Nexia SSY PLT
LLP0019490-LCA & AF002009
Chartered Accountants

Michelle Yong Voon Sze
No. 02864/07/2022 J
Chartered Accountant

Shah Alam
30 December 2021

LIST OF PROPERTIES

Properties held by the Group as at 30 June 2021

PROPERTIES ACQUIRED BY THE GROUP						
TENURE	**DESCRIPTION/ LOCATION**	**APPROXIMATE AREA**	**AGE OF BUILDING (YEARS)**	**EXISTING USE**	**NET BOOK VALUE @ 30.06.2021 (RM'000)**	**DATE OF ACQUISITION**
60 years leasehold land expiring year 2053	Leasehold land at Lot No. 830, Block No. 7, Sejingkat Industrial Park, Kuching, Sarawak	27,930 sq m (7 acres)	14	Factory Building & Office Premises	8,863	22 November 2019
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)	15	Factory Building & Office Premises	7,767	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)	41	Factory Building & Office Premises	6,090	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)	8	Factory Building & Inventory Storage	2,113	26 July 2010
Yet to be determined *	Shophouse at Sublot 13, Lot 4871, Block 18, Salak Land District	564 sq m (0.139 acres)	5	Commercial Building	1,473	29 April 2014
Yet to be determined *	Shophouse at Sublot 24, Lot 4871, Block 18, Salak Land District	459 sq m (0.113 acres)	5	Commercial Building	1,197	22 January 2019

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.

5.5

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL AS AT 11 JANUARY 2022

Number of Ordinary Shares : 582,037,532
Share Capital : RM149,780,017
Class of Shares : Ordinary shares
Voting Rights : One (1) vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS AS AT 11 JANUARY 2022

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 to 99	112	0.54	3,062	0.00
100 to 1,000	3,246	15.86	2,091,055	0.36
1,001 to 10,000	10,356	50.60	52,665,287	9.05
10,001 to 100,000	5,977	29.20	192,765,292	33.12
100,001 to 29,101,876 (*)	777	3.80	334,512,836	57.47
29,101,877 AND ABOVE (**)	0	0.00	0	0.00
TOTAL	**20,468**	**100.00**	**582,037,532**	**100.00**

Remarks : * - Less than 5% of Issued Holdings ** - 5% and above of Issued Holdings

INFORMATION OF SUBSTANTIAL SHAREHOLDERS AS AT 11 JANUARY 2022

NAME	DIRECT HOLDINGS	%	INDIRECT HOLDINGS	%
YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	139,666,664	23.996	0	0

INFORMATION ON DIRECTORS' HOLDINGS AS AT 11 JANUARY 2022

NAME	DIRECT HOLDINGS	%	INDIRECT HOLDINGS	%
YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	139,666,664	23.996	0	0
YBhg. Datu Haji Soedirman Bin Haji Aini	5,000	0.001	0	0
YBhg. Datu Haji Mohidin Bin Haji Ishak	550,000	0.094	0	0
Encik Rosland Bin Othman	9,742,540	1.674	0	0
Encik Sr. Mohd Nazri Bin Mat Noor	0	0	0	0
Encik Shamsul Anuar Bin Ahamad Ibrahim	0	0	0	0
Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir	0	0	0	0

5.5.1 ANALYSIS OF SHAREHOLDINGS

LIST OF TOP THIRTY (30) HOLDERS AS AT 11 JANUARY 2022

NO	NAME	HOLDINGS	%
1	Sarawak Economic Development Corporation	25,925,000	4.45
2	Huang Tiong Sii	24,464,800	4.20
3	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Perfect Hexagon Commodity & Investment Bank Limited for YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	12,000,000	2.06
4	Rosland Bin Othman	8,459,600	1.45
5	Yii Ming Sung	8,000,000	1.37
6	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chor Sek Choon	7,905,200	1.36
7	Agnes Chan Wai Ching	5,905,000	1.01
8	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ngu Sook Hui Racheal	3,220,000	0.55
9	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Exempt An For UOB Kay Hian PTE LTD (A/C Clients)	2,903,000	0.50
10	Choong Kean Leang	2,900,000	0.50
11	Ong Sow Hong	2,800,000	0.48
12	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teng Chi Lik (E-PDG)	2,550,000	0.44
13	Seng Siaw Wei	2,500,000	0.43
14	Shin Kong Kew @ Chin Kong Kew	2,500,000	0.43
15	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. Inter-Pacific Asset Management Sdn. Bhd. For Lee Peng Leong	2,250,000	0.39
16	Lee Kek Ming	2,000,000	0.34
17	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ngu Ung Ha	1,780,000	0.31
18	Tan Soo Sum	1,770,000	0.30
19	Chew Liong Kee	1,680,000	0.29
20	Toh Ah Wah	1,550,000	0.27
21	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Siong Keat (CHE2692C)	1,500,000	0.26
22	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt An For UOB Kay Hian PTE LTD (A/C Clients)	1,425,200	0.24
23	Low Chee Siong	1,400,000	0.24
24	Lee Kim Teck	1,350,000	0.23
25	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kien Wi (E-JCL/KPT)	1,300,000	0.22
26	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Rosland Bin Othman	1,282,940	0.22
27	Chew Weng Choy	1,250,000	0.21
28	Law Kok Thye	1,150,000	0.20
29	Lembaga Tabung Amanah Melaka	1,150,000	0.20
30	Abdul Manap bin Abd Wahab	1, 100, 000	0.19
	TOTAL	**135,970,740**	**23.34**

ANALYSIS OF WARRANT HOLDINGS

Number of Total Warrant as at 11 January 2022: 245,184,997

ANALYSIS BY SIZE OF HOLDINGS AS AT 11 JANUARY 2022

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 to 99	1,315	12.37	62,489	0.03
100 to 1,000	2,219	20.87	1,164,787	0.48
1,001 to 10,000	3,980	37.44	20,221,925	8.25
10,001 to 100,000	2,724	25.63	93,124,225	37.97
100,001 to 12,259,249 (*)	391	3.68	117,649,071	47.98
12,259,250 AND ABOVE (**)	1	0.01	12,962,500	5.29
TOTAL	**10,630**	**100.00**	**245,184,997**	**100.00**

Remarks : * - Less than 5% of Issued Holdings ** - 5% and above of Issued Holdings

INFORMATION OF SUBSTANTIAL SHAREHOLDERS AS AT 11 JANUARY 2022

NAME	DIRECT HOLDINGS	%	INDIRECT HOLDINGS	%
YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	33,333,332	[a]13.60	0	0

Remarks : [a] Based on total warrants of 245,184,997 shares

INFORMATION ON DIRECTORS' HOLDINGS AS AT 11 JANUARY 2022

NAME	DIRECT HOLDINGS	%	INDIRECT HOLDINGS	%
YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	33,333,332	[a]13.595	0	0
YBhg. Datu Haji Soedirman Bin Haji Aini	0	0	0	0
YBhg. Datu Haji Mohidin Bin Haji Ishak	132,500	[a]0.054	0	0
Encik Rosland Bin Othman	1,065,370	[a] 0.435	0	0
Encik Sr. Mohd Nazri Bin Mat Noor	0	0	0	0
Encik Shamsul Anuar Bin Ahamad Ibrahim	0	0	0	0
Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir	0	0	0	0

Remarks : [a] Based on total warrants of 245,184,997 shares

5.6.1 ANALYSIS OF WARRANT HOLDINGS

LIST OF TOP THIRTY (30) HOLDERS AS AT 11 JANUARY 2022

NO	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	Sarawak Economic Development Corporation	12,962,500	5.29
2	Wong Yoon Chee	6,077,400	2.48
3	Mohd Fadil Bin Abu Samah	2,500,000	1.02
4	Liew Yann Min	2,348,100	0.96
5	Mohd Fadil Bin Abu Samah	2,085,000	0.85
6	Thin Poh Sin	1,909,300	0.78
7	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Liew Yann Min (7009510)	1,766,100	0.72
8	David Jud Marcus Josue	1,693,000	0.69
9	Mohd Khalid Bin Mohamed Latiff	1,680,000	0.69
10	Atchuthan A/L R Narayanan Raman	1,473,200	0.60
11	Yeoh Seng Pin	1,347,000	0.55
12	Shin Kong Kew @ Chin Kong Kew	1,250,000	0.51
13	Lee Kim Chuan	1,168,800	0.48
14	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Hock Guan	1,167,800	0.48
15	Mincheol Song	1,097,000	0.45

NO	NAME	NO. OF SHARES	%
16	Thin Po Hin	1,080,000	0.44
17	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Rosland Bin Othman	1,065,370	0.43
18	Tan Gia Lung	1,000,000	0.41
19	Teoh Mag Gie	1,000,000	0.41
20	Yap Ai Synn @ Yap Ai Chin	1,000,000	0.41
21	Mohd Hanif Bin Gulam Husain	986,000	0.40
22	Agnes Chan Wai Ching	900,000	0.37
23	Mohd Yazid B Ariffin @ Mohd Aripen	845,500	0.34
24	Mohd Hanif Bin Gulam Husain	830,000	0.34
25	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Abdul Razak Faiz Bin Sulaiman	800,000	0.33
26	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Yee Siew (E-TAI)	767,000	0.31
27	Wong Kok Leong	750,000	0.31
28	Chiang Siong Chiew @ Chiong Siong Chiew	700,000	0.29
29	Yap Jian Ye	670,500	0.27
30	Maybank Nominees (Tempatan) Sdn. Bhd. Cheah Huey Mei	650,000	0.27
	TOTAL	**53,569,570**	**21.88**

5.7

NOTICE OF ANNUAL GENERAL MEETING

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No.: 197501003884 (25583-W)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty Fifth (45 th) Annual General Meeting of Sarawak Consolidated Industries Berhad ("SCIB" or "the Company") will be conducted on a fully virtual basis by way of live streaming from the broadcast venue at Unit 7-21, Wisma Conlay, Jalan USJ 10/1, 47620 Subang Jaya, Selangor Darul Ehsan, Malaysia and online remote voting through the Remote Participation and Voting ("RPV") facilities via its website at www.propollsolutions.com.my ("Propoll Portal") (Domain registration number D1A403203) provided by Propoll Solutions Sdn Bhd in Malaysia on Monday, 28 February 2022 at 11:00 a.m. for the following purposes:

AGENDA

ORDINARY BUSINESS

(1) To receive the Audited Financial Statements for the financial period ended 30 June 2021 together with the Reports of the Directors and Auditors thereon. — Please refer to Explanatory Note(i)

(2) To approve the following payments to Directors:

(i) Fees of the Directors at an amount not exceeding RM356,400.00 in aggregate for a period from 28 February 2022 until the next annual general meeting of the Company; — Resolution 1

(ii) Benefits of the Non-Executive Directors at an amount not exceeding RM843,000.00 from a period from 28 February 2022 until the next annual general meeting. — Resolution 2

(3) To re-elect YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak, the Director who retires in accordance with Article 122(1) of the Company's Constitution and being eligible, offers himself for re-election. — Resolution 3

(4) To re-elect Encik Shamsul Anuar Bin Ahamad Ibrahim, the Director who retires in accordance with Article 122(1) of the Company's Constitution and being eligible, offers himself for re-election. — Resolution 4

(5) To re-appoint NEXIA SSY PLT as the Auditors and to authorize the Directors to fix their remuneration. — Resolution 5

SPECIAL BUSINESS

(6) To consider and, if thought fit, pass the following ordinary resolution: — Resolution 6

- **Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements 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."

(7) To consider and, if thought fit, pass the following ordinary resolution: Resolution 7

- **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate")**

"THAT, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be hereby given to the Company and/or its subsidiaries ("SCIB Group") to enter into any of the categories of related party transactions which are recurrent, of a revenue or trading nature and are necessary for the day-to-day operations of SCIB Group as outlined in Sections 3.2 and 3.3 on pages 6 to 7 of the Circular to Shareholders dated 17 January 2022 ("Circular"), with the specific related parties mentioned therein subject further to the followings:

(i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders of the Company; and
(ii) disclosure is made in the annual report a breakdown of the aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements, and amongst others, based on the following information:

    - the type of the recurrent related party transactions made; and
    - the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed;
(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
(iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

(8) To consider and, if thought fit, pass the following ordinary resolution: Resolution 8

- **Proposed Authority for Share Buy-Back**

THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
b. the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

(i) To cancel all or part of the Purchased Shares;
(ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
(iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
(iv) To resell all or part of the treasury shares;
(v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
(vi) To transfer all or part of the treasury shares as purchase consideration;
(vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
(viii) To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Sunder Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/ or amendments (if any) as may be imposed by the relevant authorities.

9 To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been previously given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board of Directors

Ng Lai Yee
(SSM Practicing Certificate No.: 202008000977)
(MAICSA 7031768)
Company Secretary

Dated: 17 January 2022
Kuching, Sarawak

Explanatory Notes:

(i) This agenda item is meant for discussion only and hence it will not be put forward for voting.

(ii) **Resolutions 3 and 4 – Re-election of Directors**
The Remuneration and Nomination Committee and the Board of Directors have assessed YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak and Encik Shamsul Anuar Bin Ahamad Ibrahim and recommended them to be re-elected as Directors of the Company at the forthcoming annual general meeting.

(iii) **Resolution 6 – Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed resolution 6 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.

The general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time.

The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

This general mandate is a renewal of the mandate that was approved by the shareholders at the Company's last annual general meeting held on 18 June 2020 ("AGM 2020"). As at the date of this notice, the Company had issued and allotted 91,427,532 ordinary shares under the general mandate which was approved by the shareholders at the AGM 2020. The proceeds raised from the previous general mandate was RM41,763,207 and the details and status of the utilisation of proceeds are as follows:

Purposes	***Proposed Utilisation (RM'000)***	***Actual Utilisation (RM'000)***	***Balance unutilised (RM'000)***
Capital expenditure requirements for current operations	*4,173*	*4,173*	*-*
Partial settlement of a new business	*3,431*	*3,431*	*-*
Working capital for on-going projects	*25,809*	*3,892*	*21,917*
Estimated expenses for upcoming projects	*5,150*	*-*	*5,150*
Estimated expenses	*3,200*	*3,200*	*-*
Total	***41,763***	***14,696***	***27,067***

5.7.4 NOTICE OF ANNUAL GENERAL MEETING

(iv) **Resolution 7 – Proposed renewal of shareholders' mandate for recurrent related party transaction of a revenue or trading nature**

The proposed Resolution 7, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with related party(ies) in the ordinary course of business without having to frequently convene a separate general meeting for approval of each transaction. The shareholders' mandate is subject to renewal on an annual basis.

Please refer to Part A of the Circular to Shareholders dated 17 January 2022 for further information.

Resolution 8 - Proposed Authority for Share Buy-Back

(v) The proposed Resolution 8, if passed, will empower the Directors of the Company to purchase up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

For further information, please refer to the Share Buy-Back Statement under Part B of the Circular to Shareholders dated 17 January 2022.

Notes

(1) As part of the initiative to curb the spread of Coronavirus Disease 2019 ("COVID-19"), the 45th Annual General Meeting ("AGM") will be conducted on a fully virtual basis by way of live streaming from the broadcast venue at Unit 7-21, Wisma Conlay, Jalan USJ 10/1, 47620 Subang Jaya, Selangor Darul Ehsan, Malaysia and online remote voting through the Remote Participation and Voting ("RPV") facilities via its website at www.propollsolutions.com.my ("Propoll Portal")(Domain registration number D1A403203) provided by Propoll Solutions Sdn Bhd in Malaysia.

According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognized as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.

(2) Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 45th AGM Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 45th AGM via the RPV facilities provided by Propoll Solutions Sdn Bhd via its website at www.propollsolutions.com.my ("Propoll Portal"). Please read the Administrative Details for the 45th AGM of the Company for details on the registration process and procedures for RPV to participate remotely at the 45th AGM of the Company.

(3) **Appointment of Proxy**

(a) A member of the Company is entitled to attend, participate, speak (including 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, speak (including 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. A proxy need not be a member of the Company.

(b) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5.7.5 NOTICE OF ANNUAL GENERAL MEETING

(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 proxy form must be deposited at Symphony Corporate Services Sdn Bhd at Unit 7-21, Wisma Conlay, Jalan USJ 10/1, 47620 Subang Jaya, Selangor Darul Ehsan.

(ii) *By electronic form*

The proxy form can be electronically lodged via Propoll Portal at www.propollsolutions.com.my

(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 20 February 2022 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.*

FORM OF PROXY

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		Proportion of shareholdings to be presented %
Full Name in Block Letters		
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 45th Annual General Meeting of the Company to be conducted on a fully virtual basis by way of live streaming from the broadcast venue at Unit 7-21, Wisma Conlay, Jalan USJ 10/1, 47620 Subang Jaya, Selangor Darul Ehsan, Malaysia and online remote voting through the Remote Participation and Voting ("RPV") facilities via its website at www.propollsolutions.com.my ("Propoll Portal")(Domain registration number D1A403203) provided by Propoll Solutions Sdn Bhd in Malaysia on Monday, 28 February 2022 at 11.00 a.m. and at any adjournment thereof.

5.8.1 FORM OF PROXY

My/our proxy is to vote as indicated below:

No.	Ordinary/Special Resolutions	FOR	AGAINST
1.	To approve the fees of the Directors at an amount not exceeding RM356,400.00 in aggregate for a period from 28 February 2022 until the next annual general meeting of the Company		
2.	To approve the benefits of the Non-Executive Directors at an amount not exceeding RM843,000.00 from a period from 28 February 2022 until the next annual general meeting		
3.	To re-elect YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak as a Director		
4.	To re-elect Encik Shamsul Anuar Bin Ahamad Ibrahim as a Director		
5.	To re-appoint NEXIA SSY PLT as the Auditors and to authorize the Directors to fix their remuneration		
6.	To authorise the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
8.	To approve the Proposed Authority for Share Buy-Back		

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 ……………………………….…2022

No. of shares held	CDS Account No.
1.	
2.	

………………………………………… ………………………………………….

Signature of Shareholder

5.8.2 FORM OF PROXY

Notes

(1) *As part of the initiative to curb the spread of Coronavirus Disease 2019 ("COVID-19"), the 45th Annual General Meeting ("AGM") will be conducted on a fully virtual basis by way of live streaming from the broadcast venue at Unit 7-21, Wisma Conlay, Jalan USJ 10/1, 47620 Subang Jaya, Selangor Darul Ehsan, Malaysia and online remote voting through the Remote Participation and Voting ("RPV") facilities via its website at www.propollsolutions.com.my ("Propoll Portal")(Domain registration number D1A403203) provided by Propoll Solutions Sdn Bhd in Malaysia.*

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(b) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint one (1) proxy 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 proxy form must be deposited at Symphony Corporate Services Sdn Bhd at Unit 7-21, Wisma Conlay, Jalan USJ 10/1, 47620 Subang Jaya, Selangor Darul Ehsan.

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6

CONTACT INFORMATION

6.1

CONTACT INFORMATION

CORPORATE OFFICE:

07-01, Block 1, Star Central Corporate Park, Lingkaran Cyber Point Timur, Cyber 12, 63000, Cyberjaya, Selangor Darul Ehsan.

TEL: +60 3 8322 1566

HEADQUARTERS:
Lot 1258, Jalan Utama, Pending Industrial Estate,
93450 Kuching, Sarawak.

TEL: +60 82 334 485 FAX: +60 82 334 484

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No. 197501003884 (25583-W)

www.scib.com.my