

SARAWAK CONSOLIDATED INDUSTRIES BERHAD
(Incorporated in Malaysia)

Registration No: 197501003884 (25583-W)

FINANCIAL REPORT
for the financial period ended 30 June 2021

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Incorporated in Malaysia)

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SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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DIRECTORS' 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)	-
	<u>(4,209,213)</u>	<u>14,848,571</u>

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.	<u>9,320,070</u>
	<u>15,819,593</u>

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DIVIDENDS (CONT'D)

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.

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DIRECTORS' REPORT

WARRANTS B (CONT'D)

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.

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.

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DIRECTORS' REPORT

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)

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DIRECTORS' REPORT

DIRECTORS (CONT'D)

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
<i>Direct Interests</i>							
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

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DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

	Number Of Warrants B in the Company				
	At 1.1.2020	Additions	Exercised	Disposals	At 30.6.2021
<i>Direct Interests</i>					
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.

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DIRECTORS' REPORT

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.

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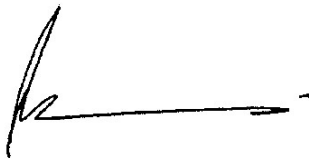
DIRECTORS' REPORT

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

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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
		<u>46,558,184</u>	<u>50,390,065</u>	<u>42,538,705</u>	<u>48,133,289</u>
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
		<u>715,301,632</u>	<u>65,718,963</u>	<u>145,742,528</u>	<u>5,297,928</u>
TOTAL ASSETS		<u>761,859,816</u>	<u>116,109,028</u>	<u>188,281,233</u>	<u>53,431,217</u>

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

	NOTE	The Group		The Company	
		30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
EQUITY AND LIABILITIES					
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

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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	NOTE	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	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

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

	NOTE	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
OTHER COMPREHENSIVE (EXPENSES)/INCOME					
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
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		

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

	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
The Group							
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

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

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

	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
The Group							
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

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

	NOTE	Share Capital RM	Accumulated Losses RM	Total Equity RM
The Company				
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

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

	NOTE	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
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)	-	-	-
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

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

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SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Incorporated in Malaysia)

Registration No: 197501003884 (25583-W)

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

	NOTE	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
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES (CONT'D)					
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)
Increase in trade and other payables		579,272,232	6,686,404	65,378,754	4,019,010
Increase in contract liabilities		1,493,311	36,514	-	-
Increase/(Decrease) in amount owing to subsidiaries		-	-	287,749	(2,830,548)
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

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Incorporated in Malaysia)

Registration No: 197501003884 (25583-W)

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

	NOTE	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
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

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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Registration No: 197501003884 (25583-W)

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.

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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Registration No: 197501003884 (25583-W)

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

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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SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Incorporated in Malaysia)

Registration No: 197501003884 (25583-W)

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

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

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

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

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.

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

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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SARAWAK CONSOLIDATED INDUSTRIES BERHAD

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

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

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

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

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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Registration No: 197501003884 (25583-W)

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

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.

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

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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

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

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).

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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets (Cont'd)

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.

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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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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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.

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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 to date.

(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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(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.

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. INVESTMENTS IN SUBSIDIARIES

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

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	
		%	%	
<i>Subsidiaries of the Company</i>				
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
<i>Subsidiaries of SCIB Holdings Sdn. Bhd.</i>				
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
SCIB Infracore Sdn. Bhd. ^	Malaysia	100	100	Dormant
SCIB Properties Sdn. Bhd.	Malaysia	100	100	Property Investment and development, engineering, procurement, construction and commissioning

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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	
		%	%	
<i>Subsidiaries of SCIB Concrete Manufacturing Sdn. Bhd.</i>				
SCIB International (Labuan) Ltd. ^	Labuan, Malaysia	100	100	Engineering, procurement, construction and commissioning project activities and investment holding
<i>Subsidiaries of SCIB Industrialised Building System Sdn. Bhd.</i>				
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.*

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

* 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.

(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	31.12.2019	30.6.2021	31.12.2019
	%	%	RM	RM	RM	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)	-
			<u>(21,303)</u>	<u>-</u>	<u>68,727</u>	<u>-</u>

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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	<u>234,345</u>	<u>-</u>
Equity attributable to owners of the Company	164,042	-
Non-controlling interest	<u>70,303</u>	<u>-</u>
	<u>234,345</u>	<u>-</u>

	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	<u>(5,254)</u>	<u>-</u>
Equity attributable to owners of the Company	(3,678)	-
Non-controlling interest	<u>(1,576)</u>	<u>-</u>
	<u>(5,254)</u>	<u>-</u>

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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. 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	<u>299,988</u>	<u>-</u>

	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	<u>70</u>	<u>-</u>

6. INVESTMENTS IN AN ASSOCIATE

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

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6. INVESTMENTS IN AN ASSOCIATE (CONT'D)

The details of the associate are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Effective Equity Interest		Principal Activities
		30.6.2021	31.12.2019	
		%	%	
<i>Associate of SCIB Properties Sdn. Bhd.</i>				
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	<u>1,214,156</u>	-	
18-month period ended 30 June			
Revenue	10,350,590	-	
Profit for the period, representing total comprehensive income for the period	<u>8,493</u>	-	
Group's share of profit for the period	<u>2,548</u>	-	

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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
<i>Cost</i>									
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

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The Group	Leasehold land	Buildings	Concrete jetty	Furniture, fittings and equipment	Motor vehicles	Plant and machineries	Renovation	Capital work-in- progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<i>Cost (Cont'd)</i>									
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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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
<i>Accumulated depreciation</i>									
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

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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
<i>Accumulated depreciation (Cont'd)</i>									
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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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
<i>Accumulated impairment losses</i>									
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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The Company	Leasehold land RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital work-in- progress RM	Total RM
<i>Cost</i>						
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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The Company	Leasehold land RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital work-in- progress RM	Total RM
<i>Accumulated depreciation</i>						
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
<i>Carrying amount</i>						
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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- (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	31.12.2019
	RM	RM
Buildings	8,515,423	9,853,218

8. RIGHT-OF-USE ASSETS

The Group	Leasehold lands	Motor vehicles	Plant and machineries	Total
	RM	RM	RM	RM
<i>Cost</i>				
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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****8. RIGHT-OF-USE ASSETS (CONT'D)**

The Group	Leasehold lands RM	Motor vehicles RM	Plant and machineries RM	Total RM
<i>Accumulated depreciation</i>				
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
<i>Carrying amount</i>				
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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FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****8. RIGHT-OF-USE ASSETS (CONT'D)**

The Company	Leasehold lands RM	Motor vehicles RM	Total RM
<i>Cost</i>			
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
<i>Accumulated depreciation</i>			
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
<i>Carrying amount</i>			
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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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	
	30.6.2021	31.12.2019	30.6.2021	31.12.2019
	RM	RM	RM	RM
<u>Profit guarantee receivable</u>				
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.

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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

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	31.12.2019	30.6.2021	31.12.2019
	RM	RM	RM	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	-	-	-	-

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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
	<u>25,344,923</u>	<u>24,862,975</u>
Allowance for obsolescence inventories	(241,446)	(443,084)
	<u>25,103,477</u>	<u>24,419,891</u>
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	<u>(241,446)</u>	<u>(443,084)</u>
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

11. TRADE RECEIVABLES

	The Group		The Company	
	30.6.2021	31.12.2019	30.6.2021	31.12.2019
	RM	RM	RM	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	-
	<u>671,788,474</u>	<u>31,148,115</u>	<u>78,939,904</u>	<u>4,434,561</u>
Allowance for impairment losses	(63,650,931)	(247,072)	(11,857,355)	-
	<u>608,137,543</u>	<u>30,901,043</u>	<u>67,082,549</u>	<u>4,434,561</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
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.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	The Group		The Company	
		30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 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

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12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
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)

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 and 5 years	-	5,618,989	-	-
	96,112,798	164,211,371	-	109,888,288

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14. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The Company	
	30.6.2021	31.12.2019
	RM	RM
Amount Owing By Subsidiaries		
<u>Current</u>		
Non-trade balances	55,978,446	13,076
Allowance for impairment losses	(3,379,612)	-
	<hr/>	<hr/>
	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
	<hr/>	<hr/>
At end of the period/year	(3,379,612)	-
Amount Owing To A Subsidiary		
<u>Current</u>		
Non-trade balances	457,553	169,804
	<hr/>	<hr/>

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.

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.

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16. SHARE CAPITAL

	The Group/The Company			
	30.6.2021	31.12.2019	30.6.2021	31.12.2019
	Number Of Shares		RM	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 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;
- 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
- 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.

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	31.12.2019
	RM	RM
At beginning of the period/year	98	-
Foreign currency translation differences	(45,286)	98
At end of the period/year	(45,188)	98

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	The Group		The Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
<u>Non-current</u>				
Other liabilities	181,350	186,984	45,215	39,351
	<u>181,350</u>	<u>186,984</u>	<u>45,215</u>	<u>39,351</u>
<u>Current</u>				
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
	<u>11,971,906</u>	<u>2,418,756</u>	<u>2,920,972</u>	<u>395,589</u>
	<u>12,153,256</u>	<u>2,605,740</u>	<u>2,966,187</u>	<u>434,940</u>

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
	<u>26,697,534</u>	<u>17,413,112</u>
Long-term borrowings (Secured):-		
Revolving credits	2,265,856	2,295,416
Term loans	13,638,220	16,572,176
	<u>15,904,076</u>	<u>18,867,592</u>
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
	<u>42,601,610</u>	<u>36,280,704</u>

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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.

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
	<u>16,479,621</u>	<u>18,643,446</u>

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20. LEASE LIABILITIES

	The Group		The Company	
	30.6.2021	31.12.2019	30.6.2021	31.12.2019
	RM	RM	RM	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

The repayment terms of lease liabilities are as follows:-

	The Group		The Company	
	30.6.2021	31.12.2019	30.6.2021	31.12.2019
	RM	RM	RM	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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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.

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
<u>Revenue from Contracts with Customers</u>				
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)	-	-
	<u>198,964,293</u>	<u>86,047,804</u>	<u>17,847,637</u>	<u>4,688,866</u>
<u>Revenue from Other Sources</u>				
Dividend income	-	-	-	4,000,000
Management fees from subsidiaries	-	-	6,203,761	3,208,927
Rental income	-	-	396,000	259,200
	<u>-</u>	<u>-</u>	<u>6,599,761</u>	<u>7,468,127</u>
	<u>198,964,293</u>	<u>86,047,804</u>	<u>24,447,398</u>	<u>12,156,993</u>

The other information on the disaggregation of revenue is disclosed in Note 32.

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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	The Company	The Group	The Company
	Financial	Financial	Financial	Financial
	period from	period from	period from	period from
	1.1.2020 to	1.1.2020 to	1.1.2020 to	1.1.2020 to
	30.6.2021	30.6.2021	30.6.2021	30.6.2021
	RM	RM	RM	RM
<u>Revenue from Contracts with</u>				
<u>Customers</u>				
Project management fees	64,223,196	17,847,637	-	-
Construction contracts	29,044,648	-	748,551,678	125,045,612
	<u>93,267,844</u>	<u>17,847,637</u>	<u>748,551,678</u>	<u>125,045,612</u>
<u>Cost of sales</u>				
Project management fees	-	-	-	-
Construction contracts	27,606,378	-	682,890,212	107,197,975
	<u>27,606,378</u>	<u>-</u>	<u>682,890,212</u>	<u>107,197,975</u>

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FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****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
(b) Other auditors				
(i) Statutory				
- current period/year	125,720	-	30,000	-
- underprovision in prior years	20,000	-	13,000	-

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	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):-				
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	-	-
- 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	-	-

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FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****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):-				
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)	-
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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	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
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

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25. INCOME TAX EXPENSE (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	The Group		The Company	
	30.6.2021	31.12.2019	30.6.2021	31.12.2019
	RM	RM	RM	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
	<u>35,969,000</u>	<u>28,384,000</u>	<u>13,148,000</u>	<u>6,347,000</u>

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
	RM	RM
(Loss)/profit attributable to owners of the Company	(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	<u>445,666,308</u>	<u>343,530,000</u>
Basic (loss)/earnings per share (Sen)	<u>(0.94)</u>	<u>0.92</u>
Diluted (loss)/earnings per share (Sen)	<u>(0.94)</u>	<u>0.92</u>

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26. (LOSS)/EARNINGS PER SHARE (CONT'D)

* 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	<u>(1,045,853)</u>

(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	<u>(63,316)</u>

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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	-
	<u>15,819,593</u>	<u>-</u>

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	<u>167,087</u>	<u>5,044,429</u>	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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(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
<u>Changes in Financing Cash Flows</u>						
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
<u>Non-cash Changes</u>						
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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(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
<u>Changes in Financing Cash Flows</u>						
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
<u>Non-cash Changes</u>						
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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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
<u>Changes in Financing Cash Flows</u>		
Repayment of principal	(49,211)	(49,211)
Repayment of interests	(6,175)	(6,175)
	(55,386)	(55,386)
<u>Non-cash Changes</u>		
Interest expense recognised in profit or loss	6,175	6,175
At 30 June 2021	61,981	61,981

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(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

(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 of lease liabilities	723,429	427,641	49,211	66,250
	825,158	512,572	55,386	73,380

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29. CASH FLOW INFORMATION (CONT'D)

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

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
<u>Directors of the Company</u>				
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
	<u>1,843,793</u>	<u>579,968</u>	<u>1,843,793</u>	<u>579,968</u>
Defined contribution benefits	145,098	30,266	145,098	30,266
	<u>1,988,891</u>	<u>610,234</u>	<u>1,988,891</u>	<u>610,234</u>
<u>Directors of the Subsidiaries</u>				
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	-	-
	<u>1,141,889</u>	<u>335,801</u>	<u>-</u>	<u>-</u>
Defined contribution benefits	134,295	38,378	-	-
	<u>1,276,184</u>	<u>374,179</u>	<u>-</u>	<u>-</u>
Total directors' remuneration (Note 24)	<u>3,265,075</u>	<u>984,413</u>	<u>1,988,891</u>	<u>610,234</u>

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.

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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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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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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	Financial year from 1.1.2019 to 31.12.2019	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019
	RM	RM	RM	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 Infracore 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 Infracore Sdn. Bhd.	-	-	(70,957)	-
- SCIB Holdings Sdn. Bhd.	-	-	(70,957)	-
- SCIB International Labuan Ltd	-	-	(70,957)	-
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

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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
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	-	-	-
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)	-	-	-

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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	Financial year from 1.1.2019 to 31.12.2019	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019
	RM	RM	RM	RM
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.

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.

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- (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.

32.1 BUSINESS SEGMENTS

Financial period from 1.1.2020 to 30.6.2021	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
Revenue					
External revenue	105,696,449	-	93,267,844	-	198,964,293
Inter-segment revenue	6,599,761	462,788	-	(7,062,549)	-
	<u>112,296,210</u>	<u>462,788</u>	<u>93,267,844</u>	<u>(7,062,549)</u>	<u>198,964,293</u>

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32.1 BUSINESS SEGMENTS (CONT'D)

Financial period from 1.1.2020 to 30.6.2021	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
Revenue					
Represented by:-					
<u>Revenue recognised at a point of time</u>					
- Sales of goods	105,696,449	-	-	-	105,696,449
<u>Revenue recognised over time</u>					
- Construction services	-	-	29,044,648	-	29,044,648
- Project management fee	-	-	64,223,196	-	64,223,196
<u>Revenue from other sources</u>					
- 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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32.1 BUSINESS SEGMENTS (CONT'D)

Financial period from 1.1.2020 to 30.6.2021	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
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

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32.1 BUSINESS SEGMENTS (CONT'D)

Financial period from 1.1.2020 to 30.6.2021	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
Results					
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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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					
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

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32.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing/ Corporate	Property Trading	Construction/ EPCC/ Project Management	Consolidation Adjustments and Elimination	The Group
30.6.2021	RM	RM	RM	RM	RM
Liabilities					
Segment liabilities	74,967,093	28,703,565	639,667,009	(79,850,093)	663,487,574
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

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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					
Represented by:-					
<u>Revenue recognised at a point of time</u>					
- Sales of goods	77,719,474	-	334,825	(208,343)	77,845,956
- Cancellation of sales of property	-	(365,330)	-	-	(365,330)
<u>Revenue recognised over time</u>					
- Construction services	-	-	8,567,178	-	8,567,178
<u>Revenue from other sources</u>					
- 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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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

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32.1 BUSINESS SEGMENTS (CONT'D)

Financial year from 1.1.2019 to 31.12.2019	Manufacturing/ Corporate RM	Property Trading RM	Construction/ EPCC/ Project Management RM	Consolidation Adjustments and Elimination RM	The Group RM
Results (cont'd)					
Segment profit/(loss) includes the followings:- (cont'd)					
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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32.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing/ Corporate	Property Trading	Construction/ EPCC/ Project Management	Consolidation Adjustments and Elimination	The Group
31.12.2019	RM	RM	RM	RM	RM
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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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	-	-
	<u>198,964,293</u>	<u>86,047,804</u>	<u>46,558,184</u>	<u>44,200,545</u>

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
	<u>105,233,661</u>	<u>77,480,626</u>	<u>93,730,632</u>	<u>8,567,178</u>	<u>198,964,293</u>	<u>86,047,804</u>

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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	Financial year 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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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				
<u>Financial Assets</u>				
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
	<u>5,162,982</u>	<u>393,313</u>	<u>92,788,582</u>	<u>98,344,877</u>

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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				
<u>Financial Liabilities</u>				
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
	<u>5,633,320</u>	<u>-</u>	<u>85,261,951</u>	<u>90,895,271</u>
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	<u>(470,338)</u>	<u>393,313</u>	<u>-</u>	<u>(77,025)</u>

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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				
<u>Financial Assets</u>				
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
	<u>4,434,561</u>	<u>-</u>	<u>41,890,410</u>	<u>46,324,971</u>
<u>Financial Liabilities</u>				
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
	<u>3,937,837</u>	<u>-</u>	<u>60,133,959</u>	<u>64,071,796</u>
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	<u>496,724</u>	<u>-</u>	<u>-</u>	<u>496,724</u>

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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				
<u>Financial Assets</u>				
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
	<u>28,772,526</u>	<u>-</u>	<u>44,675,966</u>	<u>73,448,492</u>
<u>Financial Liabilities</u>				
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
	<u>1,185,735</u>	<u>-</u>	<u>2,299,986</u>	<u>3,485,721</u>
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	<u>27,586,791</u>	<u>-</u>	<u>-</u>	<u>27,586,791</u>

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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				
<u>Financial Assets</u>				
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
<u>Financial Liabilities</u>				
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

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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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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	-	-

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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
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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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)	-	-
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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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) (Cont'd)

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
	<u>55,978,446</u>	<u>(3,379,612)</u>	<u>52,598,834</u>
31.12.2019			
Low credit risk	45	-	45
Credit impaired	13,031	-	13,031
	<u>13,076</u>	<u>-</u>	<u>13,076</u>

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.

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

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						
<u>Non-derivative Financial Liabilities</u>						
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
		<u>90,895,271</u>	<u>96,166,410</u>	<u>75,826,254</u>	<u>10,109,025</u>	<u>10,231,131</u>

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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						
<u>Non-derivative Financial Liabilities</u>						
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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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						
<u>Non-derivative Financial Liabilities</u>						
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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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							
<u>Non-derivative Financial Liabilities</u>							
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	-	-	
			<u>4,653,773</u>	<u>41,982,796</u>	<u>41,860,404</u>	<u>116,970</u>	<u>5,422</u>

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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
	<hr/>	<hr/>
	652,017,852	64,071,796
Less: Cash and bank balances	(18,346,075)	(8,473,046)
	<hr/>	<hr/>
Net debt	633,671,777	55,598,750
	<hr/>	<hr/>
Total equity	98,372,242	52,000,718
	<hr/>	<hr/>
Debt-to-equity ratio	6.44	1.07

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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 RM	31.12.2019 RM
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.

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				
<u>Amortised Cost</u>				
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				
<u>Amortised Cost</u>				
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				
<u>Amortised Cost</u>				
Net (losses)/gains recognised in profit or loss	(41,899,231)	1,189,055	7,950,332	383,048
Financial Liabilities				
<u>Amortised Cost</u>				
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.

34. CAPITAL COMMITMENTS

	The Group	
	30.6.2021 RM	31.12.2019 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
	<u>17,344,222</u>	<u>3,050,725</u>

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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

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:

- the SSA be terminated as at the date of the Consent Order;
- 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
- 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

36. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

36.1 LITIGATION BETWEEN SARAWAK CONSOLIDATED INDUSTRIES BERHAD WITH ASGARI BIN MOHD FUAD STEPHENS, BRIAN FRANCIS TICCONI 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

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.

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.

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36. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

36.6 CAPITAL REDUCTION (CONT'D)

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

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

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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