



**SARAWAK CONSOLIDATED
INDUSTRIES BERHAD**

Registration No.: 197501003884 (25583-W)

EMERGING STRONGER TOGETHER

through Transformation

ANNUAL REPORT 2024



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OVERVIEW

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CHAIRMAN'S STATEMENT

INTRODUCTION

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

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



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

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

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

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

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

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

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

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

CHAIRMAN'S STATEMENT

(CONT'D)

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

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

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

SUSTAINABILITY

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

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

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

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

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

ACKNOWLEDGEMENT

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

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

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

YBhg. Dato' Sri Zaini Bin Jass

Independent Non-Executive Chairman

Sarawak Consolidated Industries Berhad

14 October 2024

CEO'S STATEMENT

INTRODUCTION

Dear Esteemed Shareholders and Stakeholders,

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



INSIGHT INTO THE MANUFACTURING AND CONSTRUCTION SECTOR

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

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

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

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

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

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

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

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

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

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

CEO'S STATEMENT

(CONT'D)

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

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

FYE2024 PERFORMANCE

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

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

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

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

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

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

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

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

CEO'S STATEMENT

(CONT'D)



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

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

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

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

BUSINESS SUSTAINABILITY

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

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

CEO'S STATEMENT

(CONT'D)



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

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

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

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

ACKNOWLEDGEMENT

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

Mr. Ku Chong Hong

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

CORPORATE BACKGROUND



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

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

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

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

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

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

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

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

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

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

CORPORATE BACKGROUND

(CONT'D)



VISION & MISSION



VISION

To be a company founded on excellence

MISSION

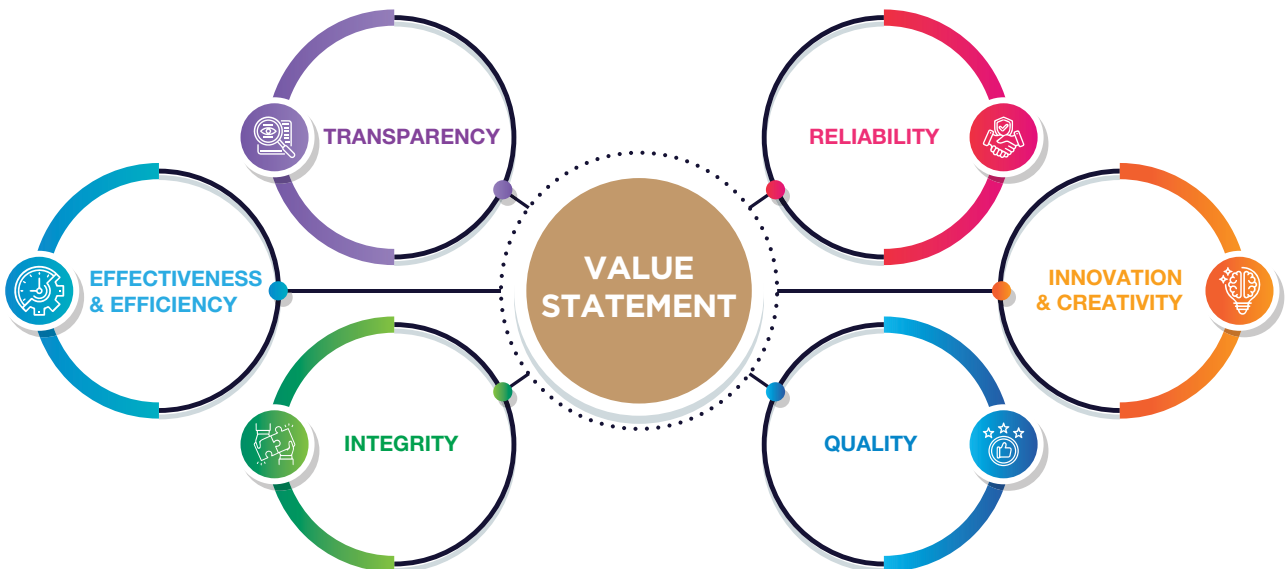
We are dedicated to the creation and demonstration of a concept of linked prosperity. Our mission consists of three (3) interrelated parts;

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

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

VALUE STATEMENT

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



SCIB GROWTH STORY



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

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

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

Mr. Ku Chong Hong

EXECUTIVE DIRECTOR / CHIEF FINANCIAL OFFICER

Mr. Chiew Jong Wei

COMPANY SECRETARY

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

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

REGISTERED OFFICE

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

AUDITORS

Kreston John & Gan (AF 0113)
Chartered Accountants

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

INVESTOR RELATION

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

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

STOCK EXCHANGE LISTING

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

SHARE REGISTRAR

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

PRINCIPAL BANKERS

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

WEBSITE

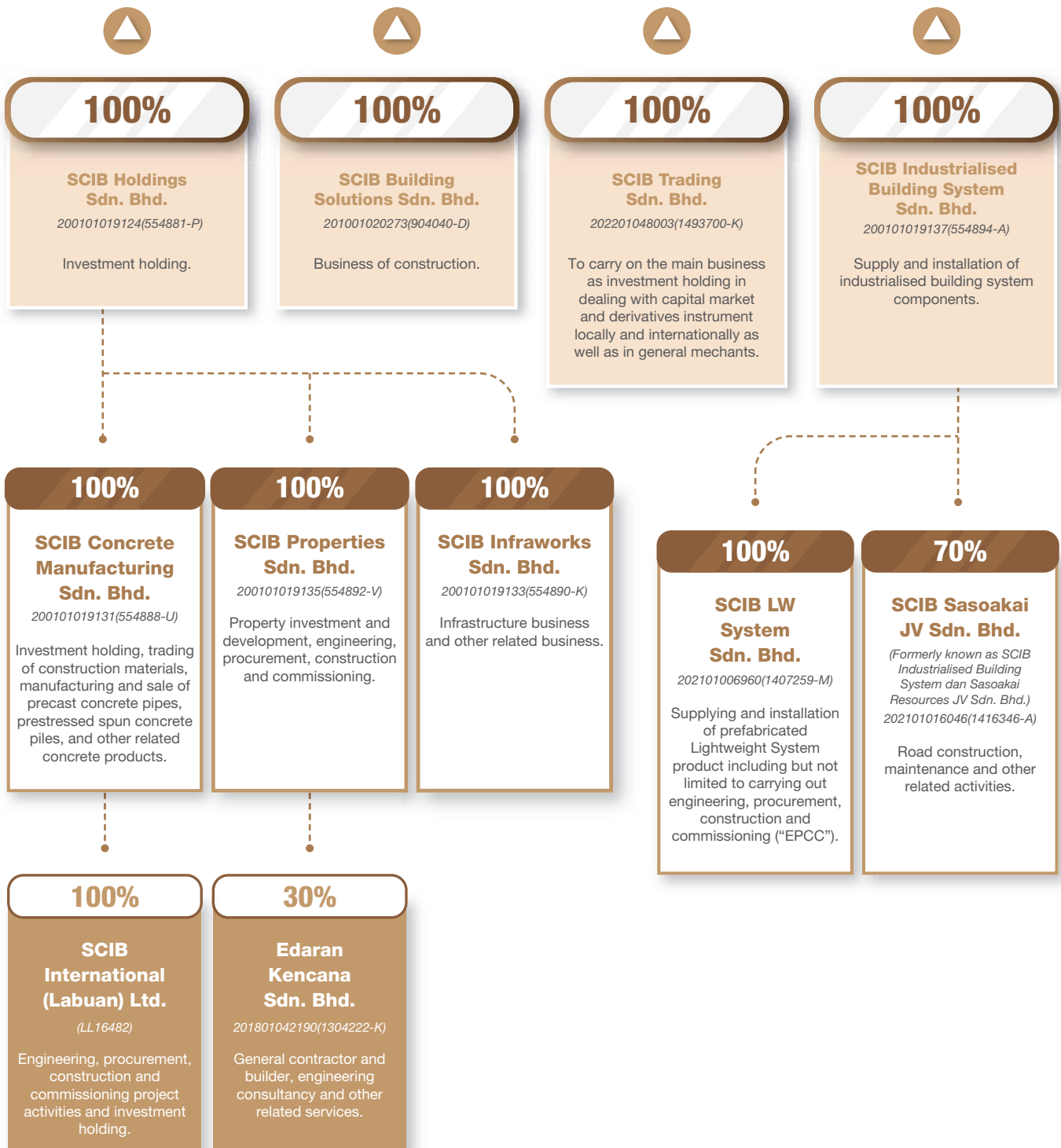
www.scib.com.my

CORPORATE STRUCTURE



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No. 197501003884 (25583-W)



BOARD OF DIRECTORS

**MR. KU
CHONG
HONG**

Group Managing Director/
Chief Executive Officer



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

Independent Non-Executive Chairman



**MR. CHIEW
JONG
WEI**

Executive Director/
Chief Financial Officer



BOARD OF DIRECTORS

(CONT'D)



DIRECTORS' PROFILE



YBHG. DATO' SRI ZAINI BIN JASS

Independent Non-Executive Chairman

Malaysian

Male

61

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

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

Date of Appointment as Independent Non-Executive Chairman:

- 11 December 2023

Board Meeting Attendance from July 2023 to June 2024:

- 2/2

Board Committees Membership:

- Nil

Directorship in Other Public Companies and Listed Issuers:

- Globetronics Technology Berhad

DIRECTORS' PROFILE

(CONT'D)



MR. KU CHONG HONG

Group Managing Director / Chief Executive Officer

Malaysian

Male

36

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

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

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

Date of Appointment as Independent Non-Executive Director:

- 17 March 2022

Date of Resignation as Executive Director:

- 15 September 2022

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

- 28 June 2023

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

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

Directorship in Other Public Companies and Listed Issuers:

- Globetronics Technology Berhad
- APB Resources Berhad

DIRECTORS' PROFILE

(CONT'D)



MR. CHIEW JONG WEI

Executive Director/Chief Financial Officer

Malaysian

Male

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ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

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

Date of Appointment as Executive Director:

- 11 December 2023

Board Meeting Attendance from July 2023 to June 2024:

- 2/2

Board Committees Membership:

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

Directorship in Other Public Companies and Listed Issuers:

- Globetronics Technology Berhad

DIRECTORS' PROFILE

(CONT'D)



SR. MOHD NAZRI BIN MAT NOOR

Independent Non-Executive Director

Malaysian

Male

61

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

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

Date of Appointment as Independent Non-Executive Director:

- 31 January 2020

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

- Investment Committee (Chairman)

Directorship in Other Public Companies and Listed Issuers:

- Nil

DIRECTORS' PROFILE

(CONT'D)



YBHG. DATO' TAN BOK KOON

Independent Non-Executive Director

- Malaysian
- Male
- 46

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

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

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

Date of Appointment as Independent Non-Executive Director:

- 11 December 2023

Board Meeting Attendance from July 2023 to June 2024:

- 2/2

Board Committees Membership:

- Nil

Directorship in Other Public Companies and Listed Issuers:

- Nil

DIRECTORS' PROFILE

(CONT'D)



MR. LIAW WAY GIAN

Independent Non-Executive Director

Malaysian

Male

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ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

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

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

Date of Appointment as Independent Non-Executive Director:

- 28 June 2023

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

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

Directorship in Other Public Companies and Listed Issuers:

- APB Resources Berhad
- Artroniq Berhad
- Globetronics Technology Berhad

DIRECTORS' PROFILE

(CONT'D)



MR. KANG WEI LUEN

Independent Non-Executive Director

Malaysian

Male

37

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

Date of Appointment as Independent Non-Executive Director:

- 28 June 2023

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

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

Directorship in Other Public Companies and Listed Issuers:

- APB Resources Berhad
- Onetech Solutions Holdings Berhad

DIRECTORS' PROFILE

(CONT'D)



DR. DANG NGUK LING

Independent Non-Executive Director

Malaysian

Female

37

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

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

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

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

Date of Appointment as Independent Non-Executive Director:

- 28 June 2023

Board Meeting Attendance from July 2023 to June 2024:

- 6/6

Board Committees Membership:

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

Directorship in Other Public Companies and Listed Issuers:

- APB Resources Berhad

DIRECTORS' PROFILE

(CONT'D)



MR. YAK BOON TIONG

Independent Non-Executive Director

Malaysian

Male

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ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

Date of Appointment as Independent Non-Executive Director:

- 29 February 2024

Board Meeting Attendance from July 2023 to June 2024:

- 1/1

Board Committees Membership:

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

Directorship in Other Public Companies and Listed Issuers:

- Nil

DIRECTORS' PROFILE

(CONT'D)

Notes:

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

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

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

DIRECTORS' PROFILE

(CONT'D)

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

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



KEY MANAGEMENT PROFILE



MR. KU CHONG HONG

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

Malaysian

Male

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



MR. CHIEW JONG WEI

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

Malaysian

Male

49

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



MR. CHAI TZE KHANG

Chief Operating Officer (“COO”)

Malaysian

Male

50

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

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

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

KEY MANAGEMENT PROFILE

(CONT'D)



EN. HERMAN SYAH BIN ABDUL RAHIM

Chief Business Officer ("CBO")

Malaysian

Male

49

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

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

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

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



MS. WONG LI WEN

Head of Corporate Services

Malaysian

Female

41

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

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

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

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



EN. MOHD FAIZ BIN HAFIDZ

General Manager Of Project Management & Procurement

Malaysian

Male

49

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

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

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

KEY MANAGEMENT PROFILE

(CONT'D)



EN. MOHD IZWAN BIN MAHADI

Malaysian

Male

36

General Manager Of Business Development

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

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

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

Notes:

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



KEY MANAGEMENT PROFILE

(CONT'D)



OTHER MANAGEMENT TEAM

Ir. Ivonson Kwee

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

Mr. Chan Moh Pin

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

En. Wan Muhammad Afeeq Amiri Bin Wan Ali

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

Ms. Nancy Phang Lee Ping

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

Mr. Ang Seah Heng

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

Ir. Ts. Chong Kian Chiang

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

En. Abdul Razi Bin Kassim

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

Ms. Tay Pah Cho

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

Ms. Juhita Binti Deran

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

Mr. Lee Tan Fong

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



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ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS



OVERVIEW OF COMPANY'S BUSINESS

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

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

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

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

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

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

OUR VISION

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

OUR MISSION

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

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

OUR KEY MARKETS

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

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

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

OUR STRENGTHS AND OPPORTUNITIES

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

These are our underlying strengths:

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

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

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

OUR BUSINESS STRATEGIES

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


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

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

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

KEY FACTS (AS OF 30 SEPTEMBER 2024)



Product with ISO accreditation certification

500,000 tonnes annual capacity




3 integrated factories based in Sarawak

In House design team and value-added consultation & services




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

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




Leading precast concrete & IBS manufacturer in East Malaysia

Wharf facility for shipment across Borneo



MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

COMPANY FINANCIAL REVIEW

Our financial highlights for the past 5 financial years/period

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

Remarks:-

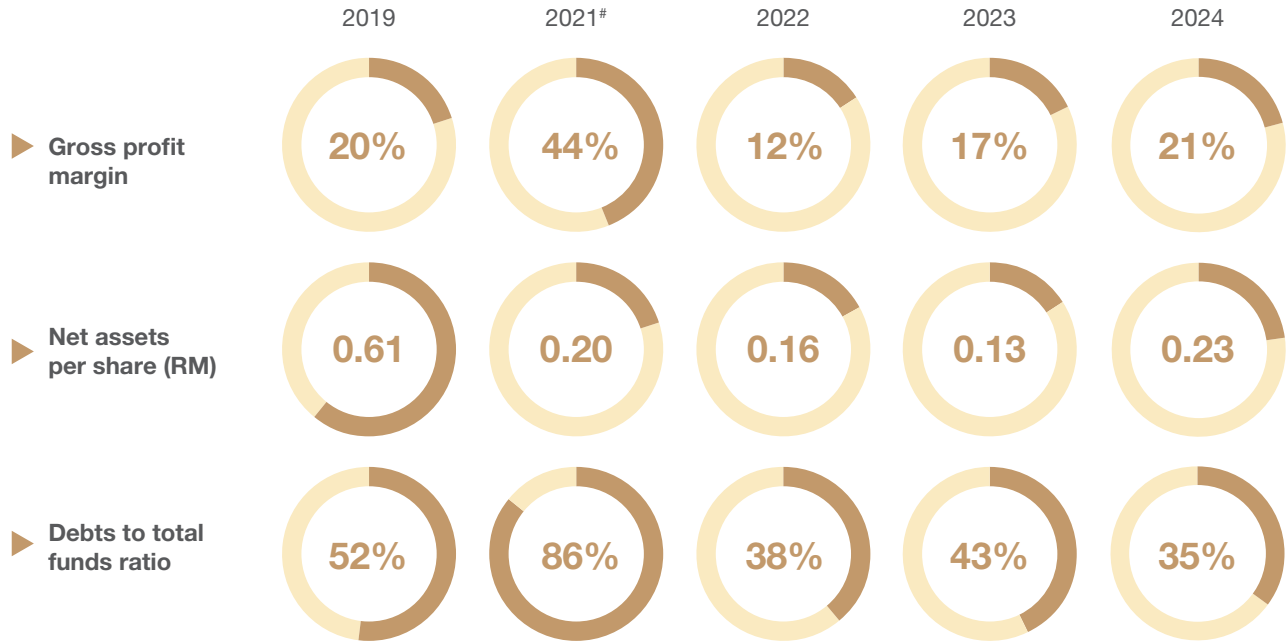
* Construction/EPCC/Project Management segment – involved in the installation of Industrialised Building System components, construction contracts, engineering, procurement, construction and commission ('EPCC') which includes, among others, piping system, process control and instrumentation, equipment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

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

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

Financial ratios



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

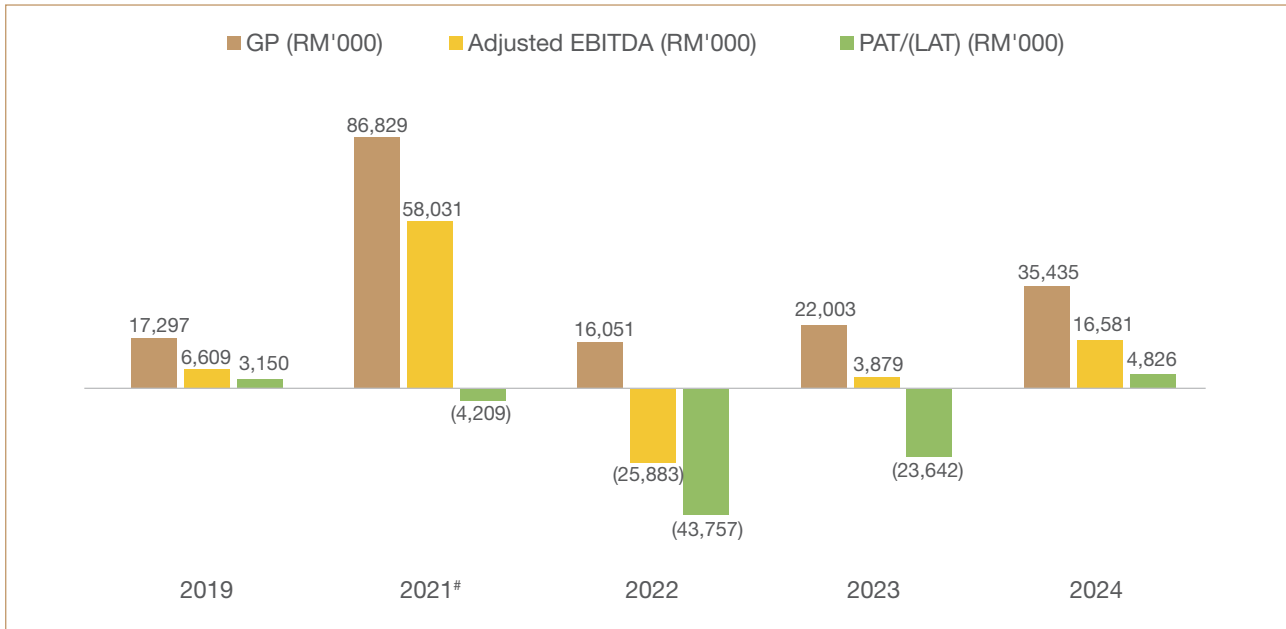
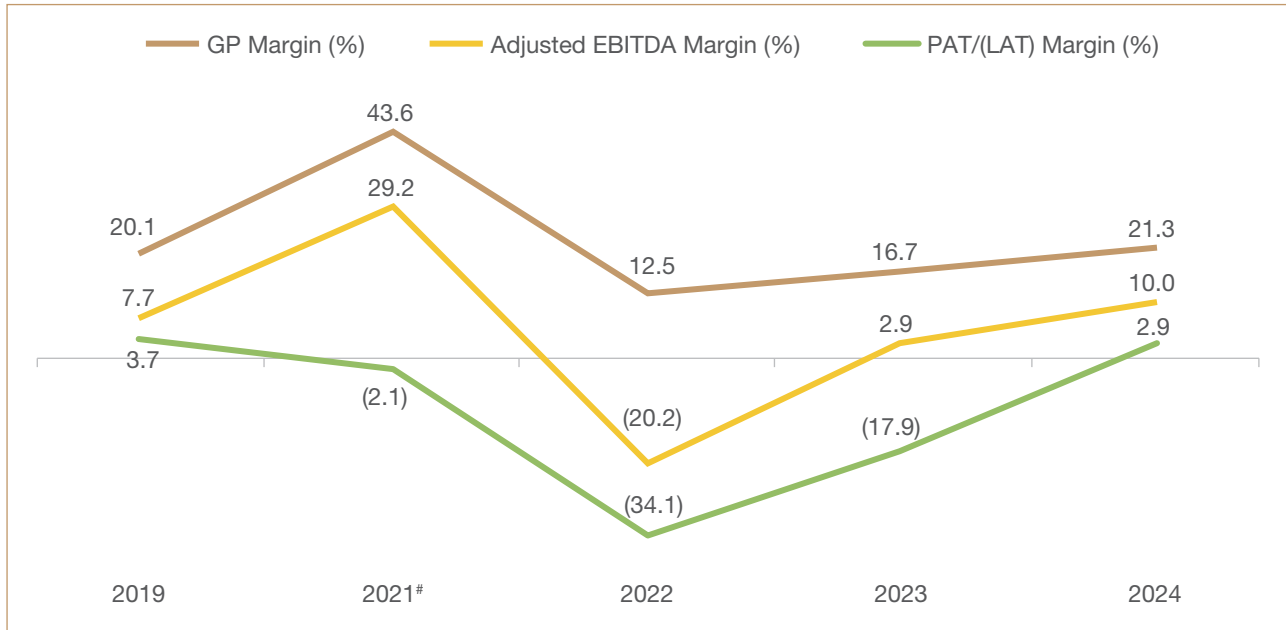
The Group also recorded a profit before tax ("PBT") of RM7.7 million as compared to the loss before tax ("LBT") of RM22.1 million in FYE2023, marking a significant improvement of RM29.8 million. This turnaround was driven by stronger operational performance.

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

MANAGEMENT DISCUSSION & ANALYSIS

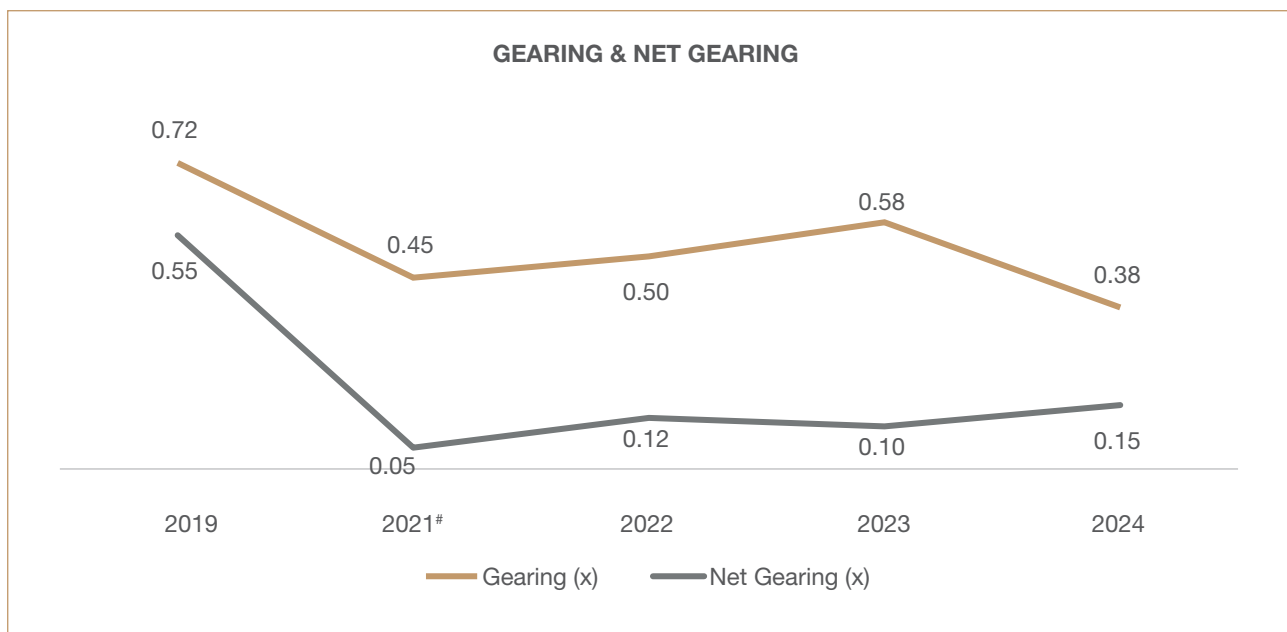
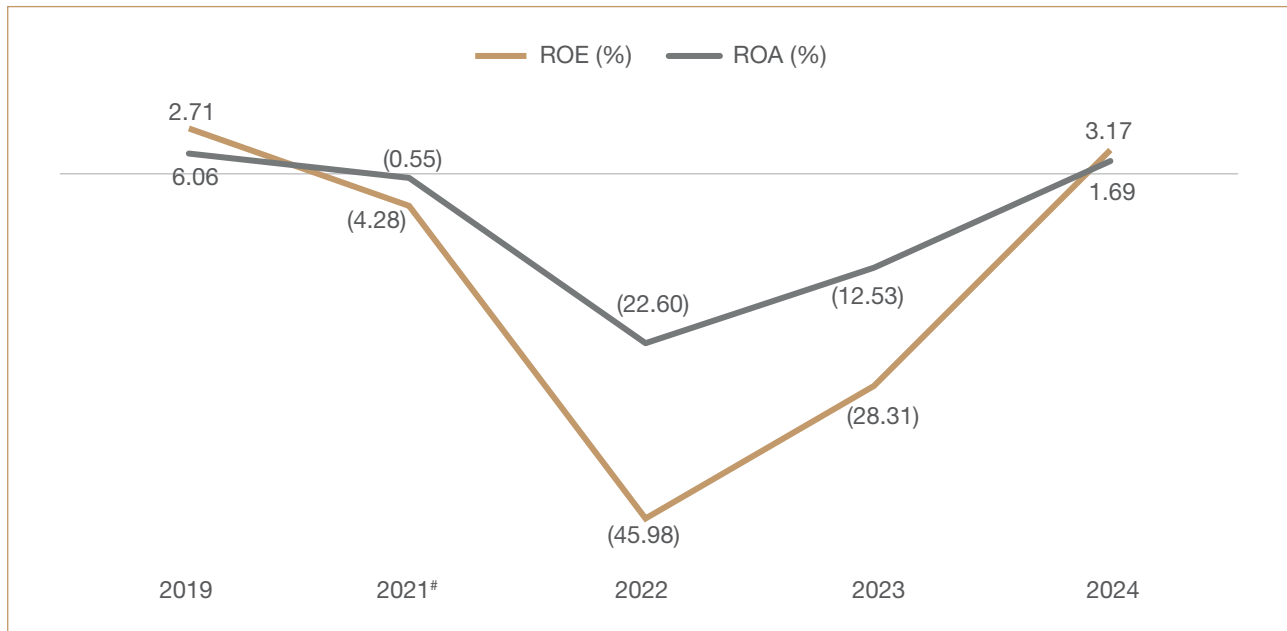
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Profitability & Margins



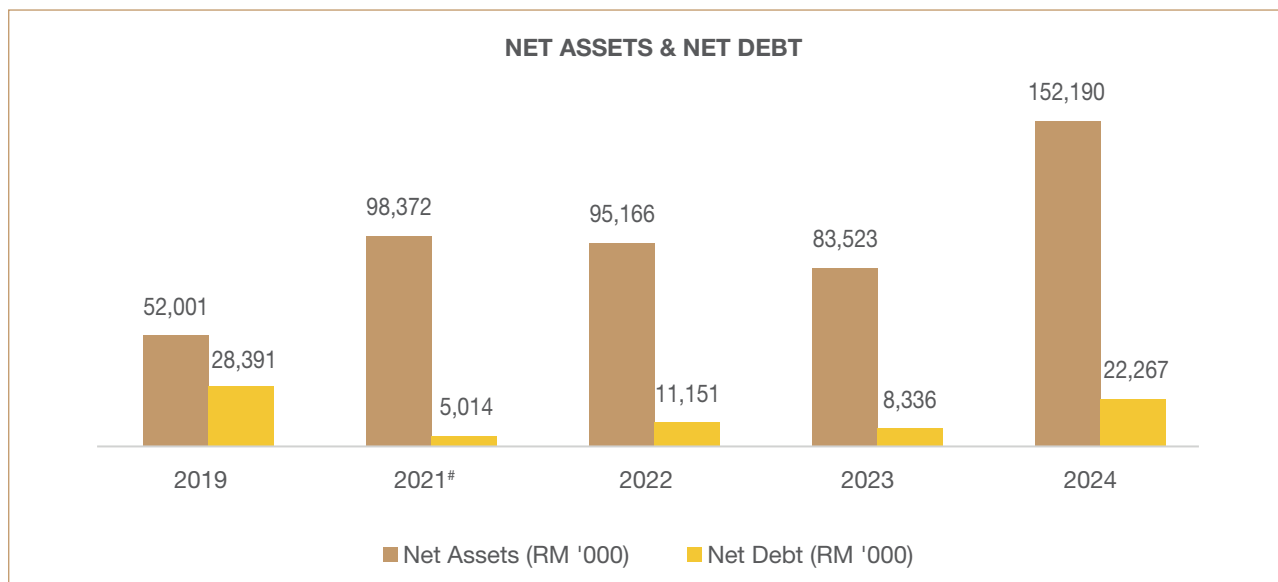
MANAGEMENT DISCUSSION & ANALYSIS

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MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

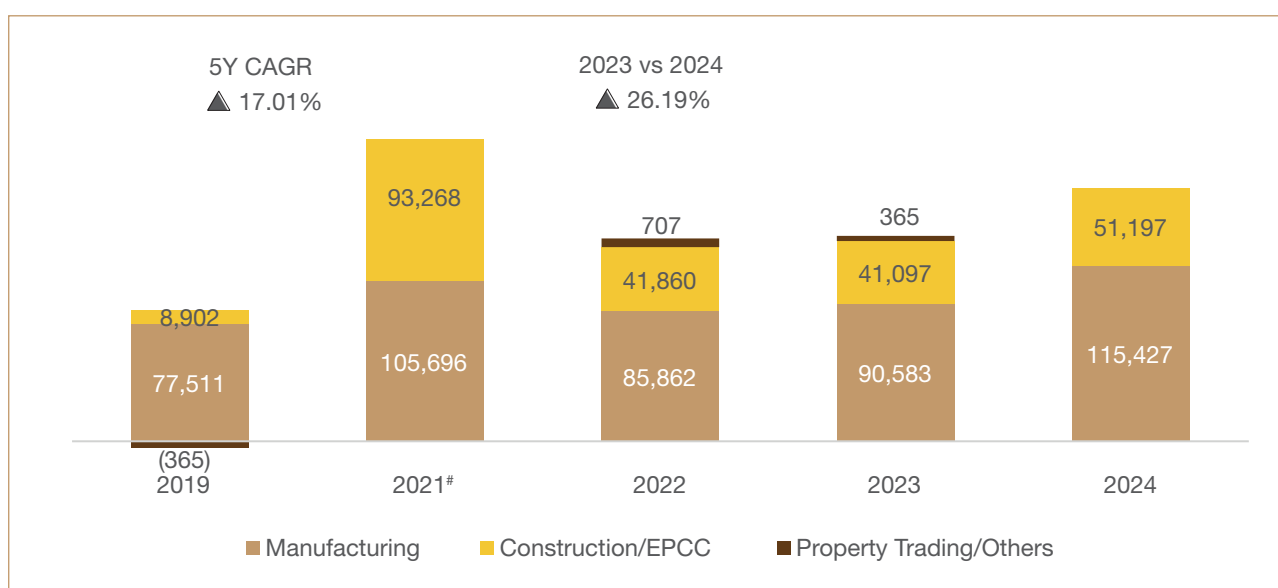


This was a cumulative 18-months result due to the change in financial year end from 31 December 2020 to 30 June 2021.

OPERATION REVIEW BY BUSINESS SEGMENT

The Group's business segments are as follows:

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



Revenue breakdown for FYE2019 – FYE2024

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

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

Manufacturing Segment

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

Construction/EPCC/Project Management

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

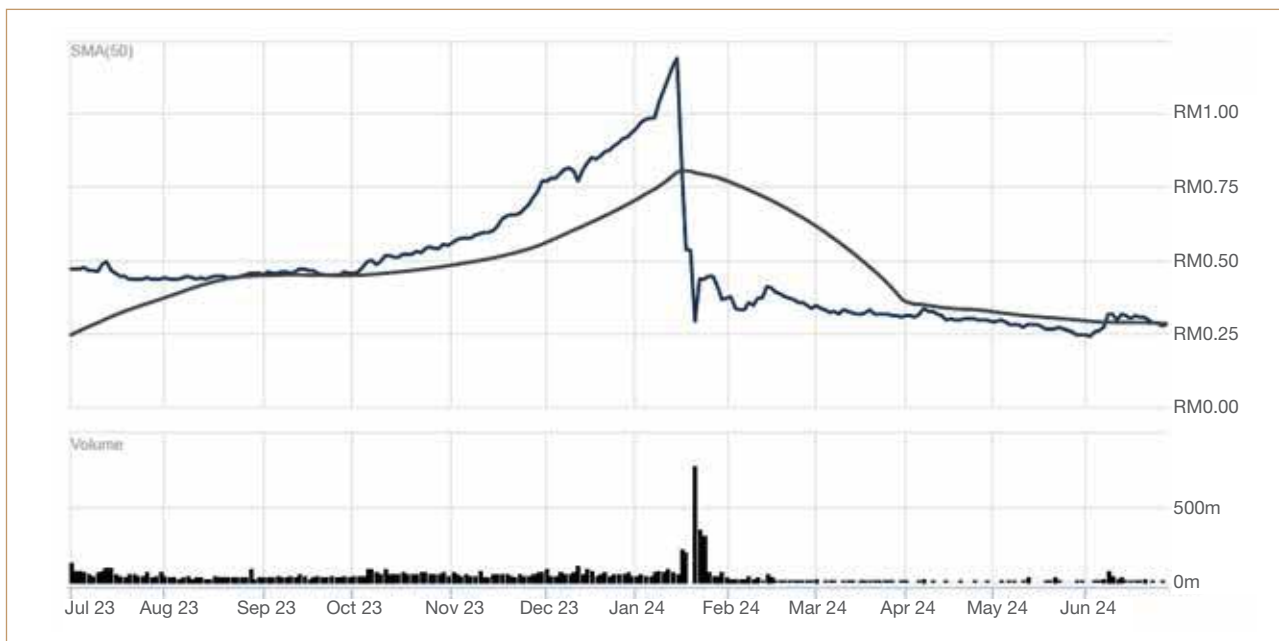
Property Trading/Others Segment

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

SHARE PRICE PERFORMANCE

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

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



Source: Wall Street Journal

DIVIDEND

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

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

ANTICIPATED OR KNOWN RISKS

RISKS

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

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

CREDIT RISK

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

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

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

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

LIQUIDITY RISK

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

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

INTEREST RATE RISK

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

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

RISKS INHERENT IN THE INFRASTRUCTURE AND CONSTRUCTION INDUSTRIES

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

OPERATIONAL RISKS

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

FOREIGN EXCHANGE RISKS

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

OUTLOOK

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

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

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

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

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

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

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

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

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

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

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

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

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

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



**CORPORATE
GOVERNANCE**

3

CORPORATE GOVERNANCE OVERVIEW STATEMENT



INTRODUCTION

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

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

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

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

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

The principal responsibilities of the Board include the following:

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

Board Committees

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. Board Responsibilities *(cont'd)*

Board Committees *(cont'd)*

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

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

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



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

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

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(CONT'D)

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

2. Board Composition

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

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

2. Board Composition *(cont'd)*

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

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

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

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

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

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

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

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

Board Gender Diversity

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

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

Directors' Code of Ethics

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

2. Board Composition *(cont'd)*

Board Meetings & Supply of Information

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

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

2. Board Composition *(cont'd)*

Company Secretary

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

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

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

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

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

Training & Development of Directors

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

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

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

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

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

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(CONT'D)

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

2. Board Composition *(cont'd)*

Time Commitment of Directors

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

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

Re-Appointment and Re-Election of Directors

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

2. Board Composition (cont'd)

Board Committees

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

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

The Board Committees of the Company are as follows:

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

2. Board Composition *(cont'd)*

Audit Committee ("AC")

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

Remuneration and Nomination Committee ("RNC")

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

Role and responsibility

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

2. Board Composition *(cont'd)*

Risk Management Committee ("RMC")

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

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

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

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

Investment Committee ("IC")

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

2. Board Composition *(cont'd)*

Long Term Incentive Plan Committee ("LTIP")

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

The LTIP has the following roles and responsibilities:

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

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

3. Remuneration

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

3. Remuneration (cont'd)

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

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

Relationship with the External Auditors

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

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

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

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

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

2. Risk Management & Internal Control

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

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

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

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

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

1. Communication with Stakeholders

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

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

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

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

2. Conduct of General Meetings

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

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

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

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

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

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

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

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

KEY FOCUS AREAS AND FUTURE PRIORITIES

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

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITY



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

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

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

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

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

AUDIT COMMITTEE REPORT

INTRODUCTION

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

COMPOSITION

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

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

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

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

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

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

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

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

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

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

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

MALAYSIAN CODE ON CORPORATE GOVERNANCE (“MCCG”)

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

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

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

TERMS OF REFERENCE

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

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

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

AUDIT COMMITTEE REPORT

(CONT'D)

MEETINGS AND ATTENDANCE

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

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

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

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

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

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

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

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

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

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

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

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES

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

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



AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES (cont'd)

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

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES *(cont'd)*

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

INTERNAL AUDIT FUNCTION

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

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

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

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

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



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

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

The principles guidelines are outlined as follows:



Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers

Malaysian Code on Corporate Governance 2021 - Principle B: Effective Audit and Risk Management



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

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

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

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RESPONSIBILITY OF THE BOARD, RISK MANAGEMENT AND AUDIT COMMITTEE

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



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

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

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



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

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

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



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

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

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

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RESPONSIBILITY OF THE MANAGEMENT

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

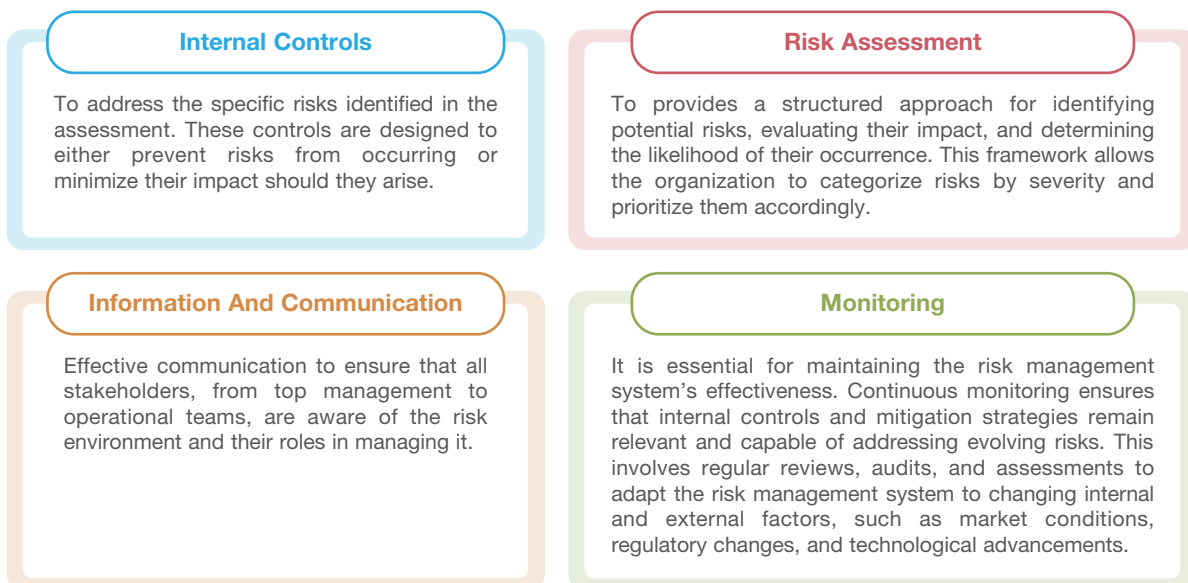
Management’s responsibilities include the following:



RISK MANAGEMENT FRAMEWORK

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

The details of the components are as follows:



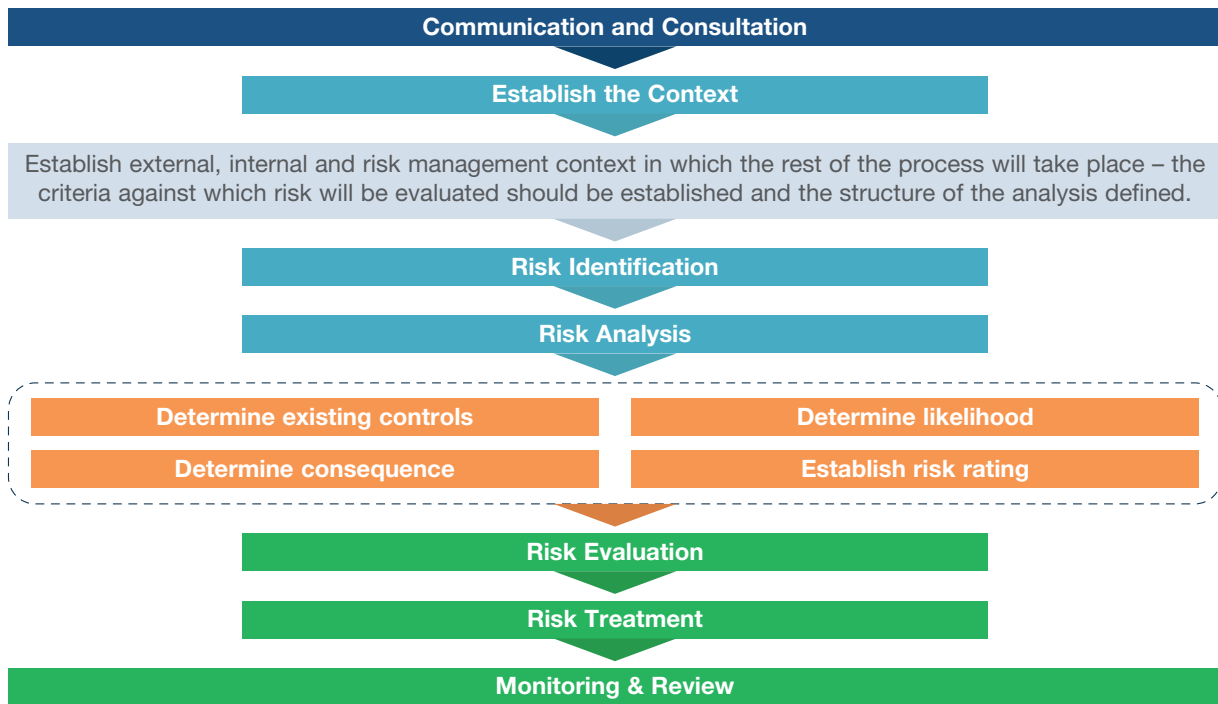
As such, the Board has implemented a Risk Management Framework within the Group in order to minimize the potential for undesired risk exposures for the benefit of shareholders and other stakeholders.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RISK MANAGEMENT FRAMEWORK (cont'd)

The process of risk management as follows:



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

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

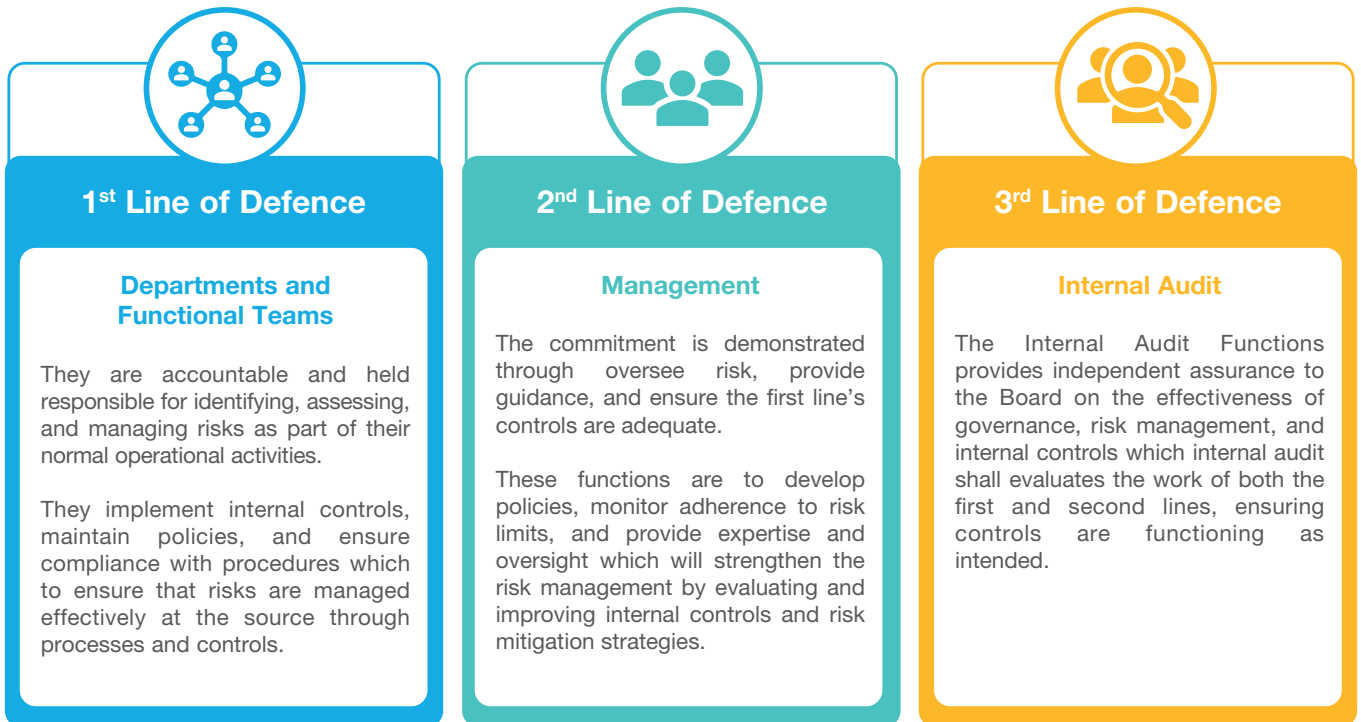
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RISK MANAGEMENT FRAMEWORK (cont'd)

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



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



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

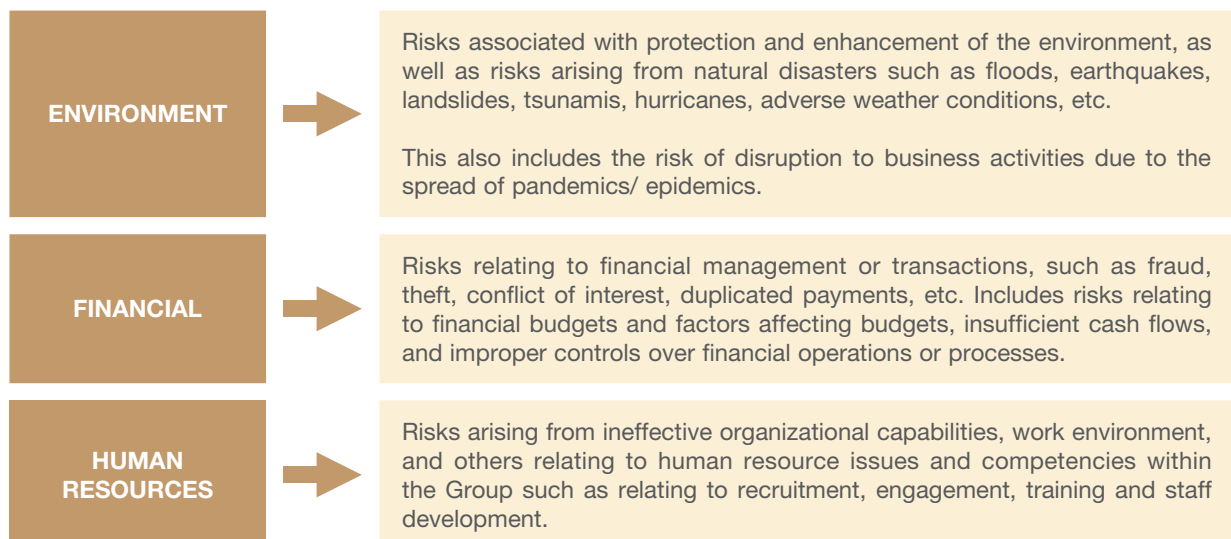
RISK MANAGEMENT FRAMEWORK *(cont'd)*

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

The Group's insurance policies include the following:

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

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



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

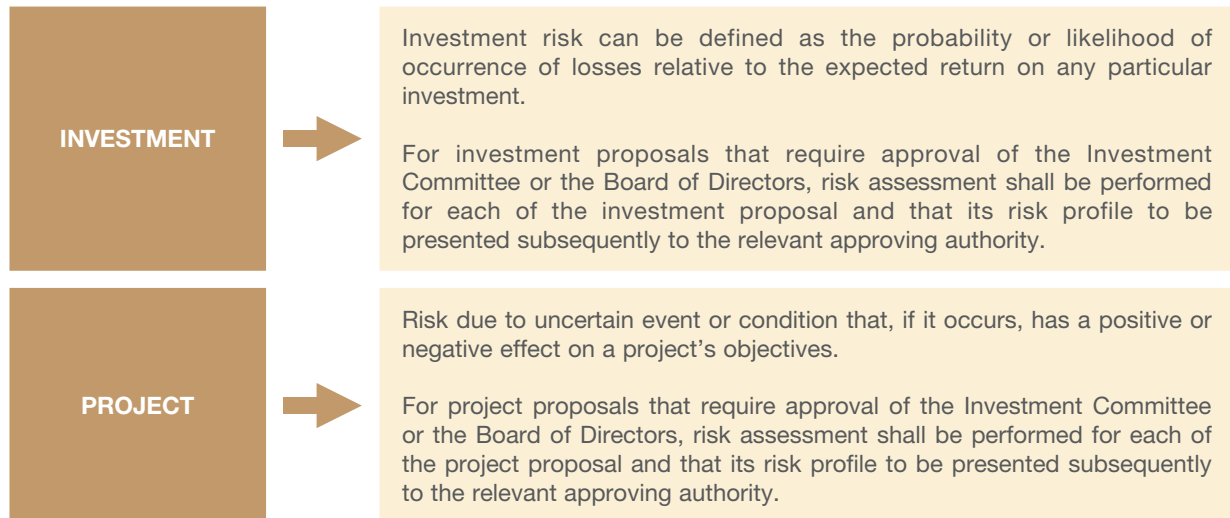
RISK MANAGEMENT FRAMEWORK (cont'd)

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RISK MANAGEMENT FRAMEWORK (cont'd)



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



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

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL

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

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



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

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

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

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL (cont'd)

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL (cont'd)

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL (cont'd)

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

A. INTERNAL CONTROL (cont'd)

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

B. INFORMATION AND COMMUNICATION

Performance Review

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

Whistleblowing Policy

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

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

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

Risk Management Reporting

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

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

C. MONITORING

Board Committees

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

The Board Committees include the following:

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

Credit Control Committee

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

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

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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

C. MONITORING *(cont'd)*

C-Suite Committee

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

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

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

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

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

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

RISK MANAGEMENT ASSURANCE AND REVIEW

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

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

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

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

ADDITIONAL COMPLIANCE INFORMATION

As at 30 June 2023

1. Audit Fees and Non-Audit Fees

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

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

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

2. Utilisation of Proceeds from Corporate Proposal

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

3. Material Contracts or Loans with Related Parties

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

4. Recurrent Related Party Transactions

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

5. Employee Share Options Scheme ("ESOS")

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

