



**FINANCIAL
STATEMENTS**

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DIRECTORS' REPORT

For the financial year ended 30 June 2024

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

PRINCIPAL ACTIVITIES

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

RESULTS

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

DIVIDEND

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

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

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

DIRECTORS' REPORT

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

SHARES AND DEBENTURES

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

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

There was no issues of debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS' REPORT

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

DIRECTORS OF THE COMPANY

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

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

DIRECTORS OF THE SUBSIDIARY COMPANIES

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

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

DIRECTORS' INTERESTS

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

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

* Date appointed as a Director

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

DIRECTORS' REPORT

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

INDEMNIFYING DIRECTORS AND OFFICERS OR AUDITORS

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

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

DIRECTORS' BENEFITS

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

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

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

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

SIGNIFICANT EVENTS

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

SUBSEQUENT EVENTS

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

DIRECTORS' REPORT

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

AUDITORS

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

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

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

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

Ku Chong Hong

Chiew Jong Wei

Kuala Lumpur,
Date : 14 October 2024

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Revenue Recognition

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

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

Construction Contracts

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

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

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

INDEPENDENT AUDITORS' REPORT

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

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

Key Audit Matters (cont'd)

Revenue Recognition (cont'd)

Trading of manufactured goods

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

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

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

Expected Credit Loss on Trade Receivables and Contract Assets

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

As at 30 June 2024, the Group recorded trade receivables and contract assets totaling RM40,279,025 and RM15,751,771 respectively.

The recoverability of trade receivables and contract assets and the level of allowance for impairment losses of doubtful receivables are considered to be key audit matter due to the pervasive nature of these balances to the financial statements.

The level of allowance of impairment losses is based upon the debtor's credit risk evaluation, historical payment trends, subsequent to financial year end collections and the existence of financial guarantees. The evaluation is however inherently judgemental and requires material estimates, including the loss rate used in the calculation of Expected Credit Loss ("ECL").

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

- Obtained an understanding of the Group's control over the receivable collection process and how the Group identifies and assesses the impairment of receivables;
- Reviewed the ageing analysis of receivables and test the reliability thereof;
- Reviewed subsequent cash collections, customer correspondences, proposed or existing settlement plans, repayment schedule and considering explanation on recoverability with significantly overdue amounts; and
- Reviewed the reasonableness and adequacy of the allowance for expected credit losses made against doubtful receivables.

INDEPENDENT AUDITORS' REPORT

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

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

Key Audit Matters (cont'd)

Property, plant and equipment ("PPE")

(Refer to summary of Material accounting policy information in Note 3(d) and the disclosure of PPE in Note 5 to the financial statements)

The carrying amount of the Group's PPE amounted to RM135,180,235, representing 47% of the Group's total assets as at 30 June 2024.

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

- Reviewed and checked the ownership and physical existence of selected PPE;
- Verified the addition of PPE to the supporting document and evaluated whether the capitalisation of PPE is consistent with the requirements of MFRS 116, *Property, Plant and Equipment*; and
- Assessed and reviewed whether there is any indication that the assets may be impaired and the adequacy of impairment loss on the PPE in accordance to the requirements of MFRS 136 *Impairment of Assets*.
- Evaluated the competency, capabilities and objectivity of the external independent valuers which included consideration of their qualifications and experience;
- Understood the scope and purpose of the valuation by reading the terms of engagement to assess whether any matters that might have affected their objectivity or limit the scope of their work; and
- Read the valuation reports for all significant properties and discussed with external independent valuers on their valuation approach and the significant judgements they made, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Kreston John & Gan
(AF 0113)
Chartered Accountants

Yong Chung Sin
Approval No: 02892/04/2026 J
Chartered Accountant

Kuala Lumpur,
Date : 14 October 2024

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	5	135,180,235	46,882,277	42,709,127	5,744,916
Investment properties	6	2,235,417	2,380,417	-	-
Investment in subsidiary companies	7	-	-	108,362,863	41,556,047
Investment in an associate company	8	-	-	-	-
Total Non-current Assets		137,415,652	49,262,694	151,071,990	47,300,963
Current Assets					
Inventories	9	23,030,243	22,735,544	-	-
Trade receivables	10	40,279,025	44,757,364	-	-
Other receivables, deposits and prepayments	11	33,347,998	25,240,394	1,308,957	376,829
Contract assets	12	15,751,771	6,193,541	-	-
Amount due from subsidiary companies	13	-	-	14,499,226	73,455,789
Current tax assets		407,759	448,516	162,408	224,448
Fixed deposits with licensed banks	14	10,808,088	10,420,927	5,358,328	5,214,458
Cash and bank balances		24,307,586	29,688,089	331,677	1,690,456
Total Current Assets		147,932,470	139,484,375	21,660,596	80,961,980
Total Assets		285,348,122	188,747,069	172,732,586	128,262,943

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024
(CONT'D)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	177,560,159	166,258,892	177,560,159	166,258,892
Reserves	16	51,635,445	(1,620,774)	11,984,518	-
Accumulated losses		(78,214,222)	(81,980,231)	(52,376,404)	(39,903,157)
		150,981,382	82,657,887	137,168,273	126,355,735
Non-controlling interests		1,208,685	864,955	-	-
Total Equity		152,190,067	83,522,842	137,168,273	126,355,735
Non-current Liabilities					
Other payables	17	11,835,276	141,976	11,696,813	8,737
Borrowings	18	22,613,284	21,810,006	-	-
Lease liabilities	19	281,695	370,790	97,405	221,843
Deferred tax liabilities	20	16,622,369	593,206	3,784,585	-
Total Non-current Liabilities		51,352,624	22,915,978	15,578,803	230,580
Current Liabilities					
Trade payables	21	32,198,070	48,716,100	-	-
Other payables and accruals	17	14,025,715	5,107,291	4,798,206	1,461,128
Contract liabilities	12	532,162	816,449	-	-
Amount due to a subsidiary company	13	-	-	15,062,866	97,000
Borrowings	18	34,769,916	26,634,828	-	-
Lease liabilities	19	129,752	87,921	124,438	118,500
Current tax liabilities		149,816	945,660	-	-
Total Current Liabilities		81,805,431	82,308,249	19,985,510	1,676,628
Total Liabilities		133,158,055	105,224,227	35,564,313	1,907,208
Total Equity and Liabilities		285,348,122	188,747,069	172,732,586	128,262,943

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	22	166,624,173	132,044,551	5,268,881	6,042,222
Cost of sales		(131,188,731)	(110,041,146)	-	-
Gross profit		35,435,442	22,003,405	5,268,881	6,042,222
Other operating income	23	1,356,431	1,447,224	2,232,940	2,425,733
Administrative expenses		(19,351,661)	(17,397,360)	(7,991,557)	(9,413,066)
Selling and distribution expenses		(8,008,625)	(6,986,284)	-	-
Net impairment losses in investment in subsidiary	7	-	-	(10,193,184)	-
Net impairment gain/(losses) on financial assets and contract assets	24	793,024	(19,074,864)	(1,461,993)	(14,863,474)
Profit/(Loss) from operations		10,224,611	(20,007,879)	(12,144,913)	(15,808,585)
Finance costs	25	(2,539,738)	(2,074,064)	(170,671)	(46,307)
Profit/(Loss) before taxation	26	7,684,873	(22,081,943)	(12,315,584)	(15,854,892)
Income tax expense	29	(2,859,266)	(1,559,741)	(403,390)	(250,979)
Profit/(Loss) for the financial year		4,825,607	(23,641,684)	(12,718,974)	(16,105,871)
Other comprehensive income/(loss), net of tax					
<u>Items that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		(161,576)	(771,829)	-	-
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Revaluation of land and building, net of deferred tax		54,884,202	-	12,230,245	-
Total other comprehensive income/(loss) for the financial year		54,722,626	(771,829)	12,230,245	-
Total comprehensive income/(loss) for the financial year		59,548,233	(24,413,513)	(488,729)	(16,105,871)
Profit/(Loss) after taxation attributable to : -					
Owners of the Company		4,481,877	(24,330,339)	(12,718,974)	(16,105,871)
Non-controlling interests		343,730	688,655	-	-
		4,825,607	(23,641,684)	(12,718,974)	(16,105,871)
Total comprehensive income/(loss) attributable to : -					
Owners of the Company		59,204,503	(25,102,168)	(488,729)	(16,105,871)
Non-controlling interests		343,730	688,655	-	-
		59,548,233	(24,413,513)	(488,729)	(16,105,871)
Earnings/(Loss) per share (sen) : -					
Basic	30	0.70	(4.14)		
Diluted	30	0.70	(4.14)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2024

Group	Note	Non-distributable		Distributable		Foreign exchange translation reserve		Accumulated losses	Total equity attributable to the owners of the Company		Non-controlling interests	Total equity
		Share capital	Revaluation Reserve	RM	RM	RM	RM		Company	RM		
At 1 July 2022		153,623,689	-	(848,945)	(57,519,417)	95,255,327	(89,175)	95,166,152				
Loss for the financial year		-	-	-	(24,330,339)	(24,330,339)	688,655	(23,641,684)				
Other comprehensive loss for the financial year:-												
- foreign currency translation differences		-	-	(771,829)	-	(771,829)	-	(771,829)				(771,829)
Contributions by and distributions to owners of the Company:-												
- Issuance of shares	15	12,759,057	-	-	-	12,759,057	-	12,759,057				12,759,057
- Share issue expenses	15	(123,854)	-	-	-	(123,854)	-	(123,854)				(123,854)
Total transactions with owners of the Company		12,635,203	-	-	-	12,635,203	-	12,635,203				12,635,203
Changes in ownership interests:-												
- Acquisition of a subsidiary company with non-controlling interest		-	-	-	-	-	-	-	225,000			225,000
- Disposal of non-controlling interest		-	-	-	(130,475)	(130,475)		(130,475)	40,475			(90,000)
At 30 June 2023		166,258,892	-	(1,620,774)	(81,980,231)	82,657,887	864,955	83,522,842				83,522,842

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

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

Group	Note	Non-distributable		Distributable		Foreign exchange translation reserve	Accumulated losses	Total equity attributable to the owners of the Company		Non-controlling interests	Total equity
		Share capital	Revaluation Reserve	RM	RM			Company	RM		
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 July 2023		166,258,892	-	(1,620,774)	(81,980,231)		82,657,887	864,955	83,522,842		
Arising from change in accounting policy		-	-	-	(2,182,275)		(2,182,275)	-	(2,182,275)		
Profit for the financial year		-	-	-	4,481,877		4,481,877	343,730	4,825,607		
Other comprehensive loss for the financial year:-											
- Revaluation of land and building		-	54,884,202	-	-		54,884,202	-	54,884,202		
- Crystallisation of revaluation reserve		-	(1,466,407)	-	1,466,407		-	-	-		
- foreign currency translation differences		-	-	(161,576)	-		(161,576)	-	(161,576)		
Contributions by and distributions to owners of the Company:-											
- Issuance of shares	15	11,301,267	-	-	-		11,301,267	-	11,301,267		
At 30 June 2024		177,560,159	53,417,795	(1,782,350)	(78,214,222)		150,981,382	1,208,685	152,190,067		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

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

Company	Note	← Non-distributable →		Distributable	Total equity
		Share capital	Revaluation Reserve	Accumulated losses	
		RM	RM	RM	RM
			(Note 16)		
At 1 July 2022		153,623,689	-	(23,797,286)	129,826,403
Loss for the financial year		-	-	(16,105,871)	(16,105,871)
Contributions by and distributions to owners of the Company:-					
- Issuance of shares	15	12,759,057	-	-	12,759,057
- Share issue expenses	15	(123,854)	-	-	(123,854)
		12,635,203	-	-	12,635,203
At 30 June 2023		166,258,892	-	(39,903,157)	126,355,735
At 1 July 2023		166,258,892	-	(39,903,157)	126,355,735
Loss for the financial year		-	-	(12,718,974)	(12,718,974)
Revaluation of land		-	12,230,245	-	12,230,245
Crystallisation of revaluation reserve		-	(245,727)	245,727	-
Contributions by and distributions to owners of the Company:-					
- Issuance of shares	15	11,301,267	-	-	11,301,267
At 30 June 2024		177,560,159	11,984,518	(52,376,404)	137,168,273

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Profit/(Loss) before taxation		7,684,873	(22,081,943)	(12,315,584)	(15,854,892)
Adjustments for : -					
Bad debt written off		645	-	-	-
Depreciation of property, plant and equipment		7,320,742	5,674,664	852,464	1,031,517
Depreciation of investment properties		145,000	12,083	-	-
Impairment losses on:-					
- property, plant and equipment		-	267,716	-	-
- trade receivables		82,874	146,247	-	-
- other receivables		1,753,368	19,778,428	-	14,450,000
- contract assets		-	36,168	-	-
- amount due from subsidiary companies		-	-	1,781,993	413,474
- investment in subsidiary companies		-	-	10,193,184	-
Interest expense		2,539,738	2,074,064	170,671	46,307
Inventories written down		26,165	11,592	-	-
Property, plant and equipment written off		10,685	392,311	-	388,298
Loss/(Gain) on disposal of property, plant and equipment		197,873	(92)	-	-
Gain on lease modification		-	(17,340)	-	(17,340)
Interest income		(356,356)	(363,973)	(2,232,937)	(2,408,170)
Reversal of impairment losses on:-					
- trade receivable		(626,708)	(876,277)	-	-
- other receivables		(523,055)	(9,702)	(320,000)	-
- contract assets		(1,479,503)	-	-	-
Reversal of inventories written off		(3,081)	(21,803)	-	-
Reversal of inventories written down		-	(25,260)	-	-
Unrealised foreign exchange (gain)/loss		(158,031)	(761,161)	-	283
Operating profit/(loss) before working capital changes		16,615,229	4,235,722	(1,870,209)	(1,950,523)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

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

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities (cont'd)					
Changes in working capital:-					
Inventories		(317,783)	(531,041)	-	-
Trade and other receivables		(4,316,389)	(15,724,377)	(612,128)	(6,422,071)
Contract assets		(8,078,727)	(579,965)	-	-
Trade and other payables		(11,682,105)	6,840,063	(911,678)	824,228
Contract liabilities		(284,287)	307,469	-	-
Amount due from subsidiary companies		-	-	57,174,570	(14,345,551)
Amount due to a subsidiary company		-	-	14,965,866	(1,156,837)
Cash (used in)/generated from operations		(8,064,062)	(5,452,129)	68,746,421	(23,050,754)
Interest paid		(2,539,738)	(2,074,064)	(170,671)	(46,307)
Interest received		356,356	363,973	2,232,937	2,408,170
Income tax paid		(4,212,601)	(1,407,618)	(460,570)	(373,098)
Income tax refunded		135,172	509,739	41,622	205,030
Net cash (used in)/generated from operating activities		(14,324,873)	(8,060,099)	70,389,739	(20,856,959)
Cash flows from investing activities					
Acquisition of subsidiary companies		-	-	-	(100,000)
Proceeds from disposal of property, plant and equipment		295,274	185	274	-
Purchase of property, plant and equipment	31	(10,309,486)	(410,000)	(5,787,689)	(70,444)
Increase in investment in subsidiary companies		-	-	(77,000,000)	-
(Increase)/Decrease in fixed deposits pledged to licensed banks		(387,161)	(4,733,825)	(143,870)	301,478
Net cash (used in)/from investing activities		(10,401,373)	(5,143,640)	(82,931,285)	131,034
Cash flows from financing activities					
Disposal of non-controlling interests		-	(90,000)	-	-
Drawdown of bankers' acceptance		29,051,752	33,083,980	-	-
Drawdown of revolving credit		23,885,759	-	-	-
Net proceeds from acquisition of non-controlling interest		-	225,000	-	-
Net proceeds from issuance of ordinary shares		11,301,267	12,635,203	11,301,267	12,635,203
Repayment of bankers' acceptance		(33,594,773)	(34,495,527)	-	-
Repayment of hire purchase		(556,682)	(614,814)	-	-
Repayment of lease liabilities		(120,112)	(733,426)	(118,500)	(740,840)
Repayment of term loans		(638,665)	(2,561,258)	-	-
Repayment of revolving credit		(7,146,054)	-	-	-
Net cash from financing activities		22,182,492	7,449,158	11,182,767	11,894,363

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

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

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Net decrease in cash and cash equivalents		(2,543,754)	(5,754,581)	(1,358,779)	(8,831,562)
Effect of foreign exchange translation		(164,578)	(778,010)	-	-
Cash and cash equivalents at beginning of the financial year		24,015,918	30,548,509	1,690,456	10,522,018
Cash and cash equivalents at end of the financial year	33	21,307,586	24,015,918	331,677	1,690,456

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

1. GENERAL INFORMATION

Sarawak Consolidated Industries Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The addresses of the registered office and principal place of business of the Company are as follows : -

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

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2024 comprise the Company and its subsidiary companies (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the financial year ended 30 June 2024 do not included other entities.

The Company is principally engaged in investment holding, provision of management services, engineering, procurement, construction and commissioning (“EPC”). The principal activities of the subsidiary companies and an associate company are set out in Note 7 and Note 8 to the financial statements respectively.

These financial statements were authorised for issue by the Board of Directors on 14 October 2024.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 2016 in Malaysia.

b) Adoption of new MFRSs, and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

The initial application of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group and the Company’s existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments required an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

2. BASIS OF PREPARATION (cont'd)

c) Amendments to MFRSs that have been issued, but yet to be effective

- (i) The Group and the Company has not adopted the following amendments to MFRSs that have been issued but yet to be effective:-

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability : Disclosures	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosure	1 January 2024 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investment in Associates and Joint Ventures	Deferred

- (ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

2. BASIS OF PREPARATION *(cont'd)*

c) Amendments to MFRSs that have been issued, but yet to be effective *(cont'd)*

- (ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below. *(cont'd)*

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including : -

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognized. The Amendments permit an entity to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about the covenants in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

2. BASIS OF PREPARATION *(cont'd)*

c) Amendments to MFRSs that have been issued, but yet to be effective *(cont'd)*

- (ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below. *(cont'd)*

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments : Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

Amendments to MFRS 121 The Effect of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

- (iii) The Group and the Company are currently performing analysis to quantify the financial effects arising from adoption of the new MFRS and amendments/improvements to MFRSs.

d) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

e) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

a) Basis of consolidation

i) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to Group.

ii) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

iii) Associates

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.

b) Separate financial statements

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

Contributions to subsidiary companies are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future are, in substance, considered as part of the Company's investment in the subsidiary companies.

c) Financial instruments

Financial assets – subsequent measurements and gains and losses

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurements and gains and losses

The Group and the Company classify the financial liabilities at amortised cost. Financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

d) Property, plant and equipment

Property, plant and equipment (other than freehold land, leasehold land and buildings and right-of-use assets) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are measured using revaluation model, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. The gross carrying amount is restated and the difference compared to the revalued amount of asset is absorbed by the accumulated depreciation.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Freehold land has an unlimited useful life and therefore is not depreciated.

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

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Rate (%)
Buildings	5
Concrete jetty	5
Furniture, fittings and equipment	10 – 33.33
Motor vehicles	25
Plant and machineries	4 – 20
Renovation	5
Leasehold land	1.67 – 2.50

e) Leases

i) Definition of a lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

ii) Lessee accounting

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of lease.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

e) Leases (cont'd)

ii) Lessee accounting (cont'd)

Right-of-use assets

The right-of-use assets (other than leasehold land that measures using revaluation model) are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

iii) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

f) Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

The investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their useful lives.

Rate (%)

Buildings	5
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g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average cost method except consumables which is on the first-in, first-out method, and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

h) Revenue and other income

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

h) Revenue and other income *(cont'd)*

i) Sale of goods

Revenue from the sale of goods is recognised upon delivery of goods where the control of the goods has been passed to the customers, net of sales and services taxed and discounts.

ii) Construction contracts

Revenue from construction contracts is recognised over time. The Group uses an input method in measuring progress of the construction contracts. The Group recognises revenue on the basis of the contract costs incurred for work performed to-date relative to the total estimated costs.

When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

iii) Project management services

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

iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

v) Rendering of services

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

vi) Sale of properties

Revenue from sale of completed properties recognised at a point in time, when the control of the properties has been transferred to the purchasers, being when the properties have been delivered to the purchasers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

vii) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

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30 June 2024
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4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

a) Revaluation of property, plant and equipment

The Group and the Company carry its land and buildings at revaluation model, with changes in fair value being recognised in other comprehensive income. The Group and the Company engaged an independent valuation specialist to assess fair value as at 30 September 2023.

The land and buildings were valued by reference to market-based evidence, using comparable price adjusted for specific market factors such as nature, location and condition of the properties.

The carrying amounts of the Group's and Company's land and buildings are disclosed in Note 5 to the financial statements.

b) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's and Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets and contract assets are disclosed in Note 24 to the financial statements.

c) Construction revenue

The Group recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgment, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amount of the Group's contract assets and contract liabilities are disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land		Buildings		Concrete jetty		Furniture, fittings and equipment		Motor vehicles		Plant and machineries		Renovation		Capital work-in-progress		Right-of-use assets		Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Accumulated impairment loss																					
At 1 July 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-	-	-	-	267,716	-	-	-	-	-	-	-	-	-	267,716
At 30 June 2023/ 30 June 2024	-	-	-	-	-	-	-	-	-	-	267,716	-	-	-	-	-	-	-	-	-	267,716
Carrying amounts																					
At 30 June 2024	7,500,000	31,160,090	14,258	835,308	2,867,264	11,635,301	180,704	2,508,015	78,479,295	135,180,235											
At 30 June 2023	6,700,000	8,698,786	14,258	917,544	18,335	12,456,410	191,257	1,456,593	16,429,094	46,882,277											
Representing																					
- cost	-	-	14,258	835,308	2,867,264	11,635,301	180,704	2,508,015	396,446	18,437,296											
- valuation	7,500,000	31,160,090	-	-	-	-	-	-	78,082,849	116,742,939											

* Derecognition of the right-of-use assets during the financial year was a result of early termination of lease arrangement.

The buildings of the Group with the carrying amount of RM29,122,861 (2023 – RM7,141,114) have been pledged to financial institutions as securities for credit facilities granted to the Group as disclosed in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital work-in- progress RM	Right- of-use assets RM	Total RM
Costs/Valuation						
At 1 July 2022	795,940	10,440	317,426	402,208	8,530,339	10,056,353
Additions	39,059	-	31,385	-	369,074	439,518
Reclassification	165,665	186,727	236,543	(402,208)	(186,727)	-
Derecognition due to lease modification *	-	-	-	-	(1,852,761)	(1,852,761)
Written off	(32,468)	-	(391,275)	-	-	(423,743)
At 30 June 2023	968,196	197,167	194,079	-	6,859,925	8,219,367
Additions	103,165	-	-	-	21,621,356	21,724,521
Disposal	(5,848)	-	-	-	-	(5,848)
Revaluation gain	-	-	-	-	16,092,428	16,092,428
At 30 June 2024	1,065,513	197,167	194,079	-	44,573,709	46,030,468
Accumulated depreciation						
At 1 July 2022	219,391	9,891	19,084	-	2,156,393	2,404,759
Charge for the financial year	165,004	544	26,197	-	839,772	1,031,517
Reclassification	-	186,723	-	-	(186,723)	-
Written off	(8,009)	-	(27,436)	-	-	(35,445)
Derecognition due to lease modification *	-	-	-	-	(926,380)	(926,380)
At 30 June 2023	376,386	197,158	17,845	-	1,883,062	2,474,451
Charge for the financial year	167,656	-	9,703	-	675,105	852,464
Disposal	(5,574)	-	-	-	-	(5,574)
At 30 June 2024	538,468	197,158	27,548	-	2,558,167	3,321,341
Carrying amounts						
At 30 June 2024	527,045	9	166,531	-	42,015,542	42,709,127
At 30 June 2023	591,810	9	176,234	-	4,976,863	5,744,916
Representing						
- cost	527,045	9	166,531	-	215,293	908,878
- valuation	-	-	-	-	41,800,249	41,800,249

* Derecognition of the right-of-use assets during the financial year was a result of early termination of lease arrangement.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of the right-of-use assets are as follows : -

Group	Leasehold land RM	Office premises RM	Use of land RM	Motor vehicles RM	Plant and machineries RM	Total RM
Costs/Valuation						
At 1 July 2022	21,567,867	1,852,761	-	3,241,362	889,299	27,551,289
Addition	-	-	480,028	-	-	480,028
Derecognition due to lease modification *	-	(1,852,761)	-	-	-	(1,852,761)
Reclassification **	-	-	-	(186,727)	(889,299)	(1,076,026)
At 30 June 2023	21,567,867	-	480,028	3,054,635	-	25,102,530
Addition	21,621,356	72,847	-	687,522	-	22,381,725
Disposal	-	-	-	(181,735)	-	(181,735)
Reclassification	-	-	-	(3,560,422)	-	(3,560,422)
Revaluation gain	43,856,378	-	-	-	-	43,856,378
At 30 June 2024	87,045,601	72,847	480,028	-	-	87,598,476
Accumulated depreciation						
At 1 July 2022	6,769,829	231,595	-	851,389	388,549	8,241,362
Charge for the financial year	547,303	694,785	24,001	667,637	77,653	2,011,379
Derecognition due to lease modification *	-	(926,380)	-	-	-	(926,380)
Reclassification **	-	-	-	(186,723)	(466,202)	(652,925)
At 30 June 2023	7,317,132	-	24,001	1,332,303	-	8,673,436
Charge for the financial year	1,645,620	36,423	96,005	749,738	-	2,527,786
Disposal	-	-	-	(147,655)	-	(147,655)
Reclassification	-	-	-	(1,934,386)	-	(1,934,386)
At 30 June 2024	8,962,752	36,423	120,006	-	-	9,119,181
Carrying amounts						
At 30 June 2024	78,082,849	36,424	360,022	-	-	78,479,295
At 30 June 2023	14,250,735	-	456,027	1,722,332	-	16,429,094

* Derecognition of the right-of-use assets during the financial year was a result of early termination of lease arrangement.

** Reclassification of right-of-use assets to property, plant and equipment was a result of full settlement of lease payment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of the right-of-use assets are as follows : - (cont'd)

Company	Leasehold land RM	Office premises RM	Motor vehicles RM	Total RM
Costs/Valuation				
At 1 July 2022	6,490,851	1,852,761	186,727	8,530,339
Additions	-	369,074	-	369,074
Derecognition due to lease modification *	-	(1,852,761)	-	(1,852,761)
Reclassification **	-	-	(186,727)	(186,727)
At 30 June 2023	6,490,851	369,074	-	6,859,925
Addition	21,621,356	-	-	21,621,356
Revaluation gain	16,092,428	-	-	16,092,428
At 30 June 2024	44,204,635	369,074	-	44,573,709
Accumulated depreciation				
At 1 July 2022	1,743,910	231,595	180,888	2,156,393
Additions	108,396	725,541	5,835	839,772
Derecognition due to lease modification *	-	(926,380)	-	(926,380)
Reclassification **	-	-	(186,723)	(186,723)
At 30 June 2023	1,852,306	30,756	-	1,883,062
Additions	552,080	123,025	-	675,105
At 30 June 2024	2,404,386	153,781	-	2,558,167
Carrying amounts				
At 30 June 2024	41,800,249	215,293	-	42,015,542
At 30 June 2023	4,638,545	338,318	-	4,976,863

* Derecognition of the right-of-use assets during the financial year was a result of early termination of lease arrangement.

** Reclassification of right-of-use assets to property, plant and equipment was a result of full settlement of lease payment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

The details of the right-of-use assets are as follows : - *(cont'd)*

Leasehold land of the Group and of the Company have a lease period of 60 years expiring between years of 2053 and 2084. The Group entered into the operating lease agreements for the use of land for 5 years (2023 – 5 years), whereas the Company leased office premises used in their operations for 3 years (2023 – 3 years), with an option to renew the leases upon expiry.

The Group and the Company have leased motor vehicles and plant and machineries under hire purchase arrangements. The leases are secured by the leased assets. The Group and the Company have options to purchase the asset at the expiry of the lease period for an insignificant amount.

Included in the right-of-use assets of the Group and of the Company at the end of the reporting period were leasehold land with aggregate carrying amount of RM51,708,446 (2023 – RM13,155,945) and RM15,425,846 (2023 – RM3,543,755) respectively, which have been pledged to licensed banks as securities for banking facilities granted to the Group and to the Company, as disclosed in Note 18 to the financial statements.

Fair value information

	Level 3 RM
Group	
30.6.2024	
Freehold land	7,500,000
Leasehold land	56,581,852
Buildings	31,160,090
	95,241,942
Company	
30.6.2024	
Leasehold land	20,299,252

There are no Level 1 property, plant and equipment or transfers between Level 1 and Level 2 during the financial year ended 30 June 2023 and 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
<u>Group</u>			
Land 1	Cost approach	Price per square feet RM37 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 2	Cost approach	Price per square feet RM31 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 3	Comparison approach	Price per square feet RM37 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 4	Cost approach	Price per square feet RM60 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 5	Comparison approach	Price per square feet RM70 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 1	Cost approach	Price per square feet RM101 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 2	Cost approach	Price per square feet RM60 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 3	Cost approach	Price per square feet RM134 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 4	Cost approach	Price per square feet RM85 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Building 5	Comparison approach	Price per square feet RM70 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
<u>Company</u>			
Land 1	Cost approach	Price per square feet RM37 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value
Land 2	Cost approach	Price per square feet RM31 (30.06.2023 – N/A)	The higher the price per square feet, the higher the fair value

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Level 3 fair value (cont'd)

Had the revalued land and buildings and right-of-use assets been carried at historical cost less accumulated depreciation, the net carrying amount of the land and buildings and right-of-use assets that would have been included in the financial statements of the Group and of the Company are as follows:

	2024 RM
Group	
30.6.2024	
Freehold land	4,521,894
Leasehold land	13,620,249
Buildings	7,335,114
	25,477,257
Company	
30.6.2024	
Leasehold land	4,530,148

6. INVESTMENT PROPERTIES

Group	Buildings RM
Costs	
At 1 July 2022	
Transfer from property, plant and equipment (Note 5)	2,900,000
At 30 June 2023/30 June 2024	2,900,000
Accumulated depreciation	
At 1 July 2022	
Charge for the financial year	12,083
Transfer from property, plant and equipment (Note 5)	507,500
At 1 July 2023	519,583
Charge for the financial year	145,000
At 30 June 2024	664,583
Carrying amount	
At 30 June 2024	2,235,417
At 30 June 2023	2,380,417

In the previous financial year, certain buildings of the Group with carrying amount at RM2,392,500 have been transferred from property, plant and equipment to investment properties as disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

6. INVESTMENT PROPERTIES (cont'd)

Rental income in respect of the investment properties of the Group for the financial year ended 30 June 2024 are recognised in profit or loss as follows : -

	Group RM
Rental income from third parties	89,600

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2024	2023
	RM	RM
Carrying amount		
At the beginning of the financial year	41,556,047	41,456,047
Addition	-	100,000
Impairment	(10,193,184)	-
Redeemable convertible preference shares	77,000,000	-
At the end of the financial year	108,362,863	41,556,047
Unquoted shares, at cost	44,056,049	44,056,049
Redeemable convertible preference shares, at cost	77,000,000	-
Less: Accumulated impairment losses	(12,693,186)	(2,500,002)
	108,362,863	41,556,047

The reconciliation of the allowance for impairment losses is as follows:-

	Company	
	2024	2023
	RM	RM
At the beginning of the financial year	2,500,002	2,500,002
Addition	10,193,184	-
At the end of the financial year	12,693,186	2,500,002

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

7. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows : -

Name of subsidiary companies	Country of incorporation/ principal place of business	Principal activities	Effective ownership interest	
			2024 %	2023 %
<i>Subsidiary companies of the Company</i>				
SCIB Holdings Sdn. Bhd.	Malaysia	Investment holdings	100	100
SCIB Industrialised Building System Sdn. Bhd.	Malaysia	Supply and installation of industrialised building system components	100	100
SCIB Building Solutions Sdn. Bhd.	Malaysia	Construction. Not in operation since the date of acquisition by the holding company	100	100
SCIB Trading Sdn. Bhd.	Malaysia	Investment holding in dealing with capital market and derivatives instruments locally and internationally as well as in general merchants	100	100
<i>Subsidiary companies of SCIB Holdings Sdn. Bhd.</i>				
SCIB Concrete Manufacturing Sdn. Bhd.	Malaysia	Investment holding, trading of construction materials, manufacturing and sale of precast concrete pipes, prestressed spun concrete piles and other related concrete products	100	100
SCIB Properties Sdn. Bhd.	Malaysia	Property investment and development, engineering, procurement, construction and commissioning	100	100
SCIB Infracore Sdn. Bhd.	Malaysia	Infrastructure business and other related business	100	100
<i>Subsidiary company of SCIB Concrete Manufacturing Sdn. Bhd.</i>				
SCIB International (Labuan) Ltd [#]	Labuan, Malaysia	Engineering, procurement, construction and commissioning project activities and investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

7. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows : - (cont'd)

Name of subsidiary companies	Country of incorporation/ principal place of business	Principal activities	Effective ownership interest	
			2024 %	2023 %
<i>Subsidiary companies of SCIB Industrialised Building System Sdn. Bhd.</i>				
SCIB LW System Sdn. Bhd.	Malaysia	Supplying and installations of prefabricated Lightweight System products including but not limited to carrying out engineering, procurement, construction and commissioning ("EPCC")	100	100
SCIB Sasoakai JV Sdn. Bhd. (formerly known as SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd.)	Malaysia	Road construction, maintenance and other related activities	70	70

Audited by a firm other than Kreston John & Gan

(a) Additional investment in subsidiary companies

On 21 March 2024, the Company subscribed for 26,500,000 and 50,500,000 redeemable convertible preference shares ("RCPS") in SCIB Industrialised Building System Sdn. Bhd. and SCIB Properties Sdn. Bhd., respectively, at an issue price of RM1 per RCPS via the conversion of the amount due from subsidiary companies.

The RCPS are redeemable at the option of the issuer of the RCPS.

The salient terms of RCPS in the subsidiary companies are as follows:

- (i) The subscriber of the RCPS is the holding company, Sarawak Consolidated Industries Berhad.
- (ii) Dividends on each RCPS shall be paid at the absolute discretion of the subsidiary companies.
- (iii) In the event of any liquidation, dissolution, winding up or other repayment of capital of the subsidiary companies, the assets available for distribution among the members shall be applied in the following:
 - a. Firstly to the RCPS shareholders, in payment of a sum equivalent to the aggregate of the RCPS issue price.
 - b. Then, to the holder of the other shares.
- (iv) The RCPS shareholders shall have the right to receive notice, reports and audited financial statements and to attend general meetings of the subsidiary companies.
- (v) The RCPS are convertible into new ordinary shares at the absolute discretion of the holder.
- (vi) The RCPS shall be redeemed at the absolute discretion of the of the subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

7. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(b) Non-controlling interest in subsidiary companies

The Group's subsidiary company that has non-controlling interest ("NCI") is as follows : -

	SSJV
2024	
NCI percentage of ownership and voting interest (%)	30
Carrying amount of NCI (RM)	1,208,685
Profit allocated to NCI (RM)	343,730
2023	
NCI percentage of ownership and voting interest (%)	30
Carrying amount of NCI (RM)	864,955
Profit allocated to NCI (RM)	688,655

Summarised financial information for the subsidiary company that has non-controlling interests before inter-group elimination : -

	2024	2023
	RM	RM
SCIB Sasoakai JV Sdn. Bhd. (formerly known as SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd.)		
Non-current assets	1,156,785	1,527,765
Current assets	12,483,353	10,171,763
Non-current liabilities	(2,794,103)	(4,391,337)
Current liabilities	(6,817,085)	(4,425,007)
Net assets	4,028,950	2,883,184
Profit for the financial year, representing total comprehensive income for the financial year	1,145,767	2,295,516
Profit attributable to owners of the Company	802,037	1,606,861
Non-controlling interest	343,730	688,655
	1,145,767	2,295,516
Net cash flows generated from operating activities	1,921,180	652,625
Net cash flows used in investing activity	(100,000)	-
Net cash flows used in financing activities	(320,148)	(576,296)
Net increase in cash and cash equivalents	1,501,032	76,329
Dividend paid to NCI	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

8. INVESTMENT IN AN ASSOCIATE COMPANY

	Group	
	2024 RM	2023 RM
At the beginning of the financial year	300,000	300,000
Share of post-acquisition loss	-	-
At the end of the financial year	300,000	300,000
Unquoted shares, at cost	300,000	300,000
Less: Accumulated impairment losses	(300,000)	(300,000)
	-	-

The reconciliation of the allowance for impairment losses on investment in an associate company is as follows : -

	Group	
	2024 RM	2023 RM
At the beginning/end of the financial year	300,000	300,000

The details of the associate company is as follows : -

Name of associate company	Country of incorporation/ Principal place of business	Principal activities	Effective ownership interest	
			2024 %	2023 %
<i>Associate company of SCIB Properties Sdn. Bhd.</i>				
Edaran Kencana Sdn. Bhd. #	Malaysia	General contractor and builder, engineering consultancy and other related services	30	30

Audited by a firm other than Kreston John & Gan

Edaran Kencana Sdn. Bhd. has a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the associate company for the financial year ended 31 December 2023 (2023 – 31 December 2022) have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2024 and 30 June 2024 (2023– 1 January 2023 to 30 June 2023).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

8. INVESTMENT IN AN ASSOCIATE COMPANY (cont'd)

The summarised financial information of the associate company is as follows : -

	Group	
	2024	2023
	RM	RM
Non-current assets	9,236	13,751
Current assets	1,238,584	1,374,556
Current liabilities	(15,156,123)	(15,234,665)
Net liabilities	(13,908,303)	(13,846,358)
12-month year ended 30 June		
Revenue	76,653	27,287
Loss for the financial year representing total comprehensive loss for the financial year	(61,944)	(2,204,574)
Group's share of loss for the financial year	-	-

The Group has not recognised its share of losses amounting to RM18,583 (2023 – RM661,372) because the Group's cumulative share of losses has exceeded its interest in that associate company and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised amounted to RM4,534,190 (2023 – RM4,515,607).

The auditors' report on the financial statements of the associate company includes a "Material Uncertainty Related to Going Concern" regarding the ability of the associate company to continue as a going concern in view of its capital deficiency position as at end of current reporting year. Due to its capital deficiency position, the cost of investment of the associate company has been fully impaired during previous financial year.

9. INVENTORIES

	Group	
	2024	2023
	RM	RM
Properties held for sale	698,061	698,061
Raw materials	6,559,261	7,527,585
Finished goods	13,362,096	12,425,595
Stores and spares	2,453,298	2,111,230
	23,072,716	22,762,471
Less : Allowance for inventories obsolescence	(42,473)	(26,927)
	23,030,243	22,735,544

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

9. INVENTORIES (cont'd)

The movement of allowance for inventories obsolescence during the financial year are as follows : -

	Group	
	2024	2023
	RM	RM
At the beginning of the financial year	26,927	165,977
Additions	26,165	11,592
Inventories written off	(10,619)	(125,382)
Reversal of inventories written down	-	(25,260)
At the end of the financial year	42,473	26,927

	Group	
	2024	2023
	RM	RM
Recognised in profit or loss : -		
Inventories recognised as cost of sales	86,125,061	74,104,109
Inventories written back	(3,081)	(21,803)
Inventories written down	26,165	11,592
Reversal of inventories written down	-	(25,260)

10. TRADE RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Third parties : -				
- Project management	5,757,790	5,877,900	-	-
- Project owners	25,650,236	34,657,324	-	-
- Others	30,841,048	26,668,301	-	-
	62,249,074	67,203,525	-	-
Less : Accumulated impairment losses	(21,970,049)	(22,446,161)	-	-
	40,279,025	44,757,364	-	-

NOTES TO THE FINANCIAL STATEMENTS

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10. TRADE RECEIVABLES (cont'd)

The movement of accumulated impairment losses of trade receivables of the Group and of the Company during the financial year are as follows : -

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	22,446,161	81,553,171	-	12,588,441
Additions : -				
- Project owners	39,124	-	-	-
- Others	43,750	146,247	-	-
	82,874	146,247	-	-
Effect of foreign exchange differences	67,722	1,678,528	-	-
Reversals	(626,708)	(876,277)	-	-
Written off	-	(60,055,508)	-	(12,588,441)
At end of the financial year	21,970,049	22,446,161	-	-

- (a) The Group's and the Company's normal trade credit term range between 7 to 90 days (2023 – 7 to 90 days). Late interest is charged at 1.50% (2023 – 1.50%) per month for sale of goods and are assessed on a case-by-case basis.
- (b) Included in trade receivables of the Group are retention sums amounted to RM8,714,315 (2023 – RM7,105,988).

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables : -				
- Third parties	27,004,892	25,904,210	15,122,734	15,013,329
- Related parties	-	70,718	-	70,718
Banker guarantee	-	199,000	-	199,000
Non-trade deposits	8,166,290	243,447	250,041	51,041
Trade deposits	16,381,847	16,329,647	-	-
Prepayments	4,662,928	8,322,668	66,182	55,957
	56,215,957	51,069,690	15,438,957	15,390,045
Less : Accumulated impairment losses	(22,867,959)	(25,829,296)	(14,130,000)	(15,013,216)
	33,347,998	25,240,394	1,308,957	376,829

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11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

The movement of accumulated impairment losses of other receivables of the Group and of the Company during the financial year are as follows : -

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	25,829,296	12,814,334	15,013,216	563,216
Additions	1,753,368	19,778,428	-	14,450,000
Effect of foreign exchange differences	23,518	196,236	-	-
Reversals	(523,055)	(9,702)	(320,000)	-
Written off	(4,215,168)	(6,950,000)	(563,216)	-
At end of the financial year	22,867,959	25,829,296	14,130,000	15,013,216

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024 RM	2023 RM
Contract assets		
Contract assets relating to construction services	15,751,771	6,193,541
Contract liabilities		
Contract liabilities relating to : -		
- Construction services	-	(60)
- Manufacturing activities	(532,162)	(816,389)
	(532,162)	(816,449)

- (a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. The amount will be invoiced within 30 days (2023 – 30 days).
- (b) The contract liabilities relate to advance considerations received from customers for EPCC contracts and manufacturing activities of which the revenue will be recognised over the remaining contract term of the specific contract it relates to, ranging from 1 to 3 months (2023 – 1 to 3 months).

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12. CONTRACT ASSETS/(LIABILITIES) (cont'd)

(c) The movement of contract assets and contract liabilities balances during the financial year are as follows : -

	2024 RM	2023 RM
At beginning of the financial year	5,377,092	5,140,764
Revenue recognised in profit or loss during the financial year : -		
- Construction contracts	52,354,233	41,292,388
- Sale of goods	561,329	370,589
Performance obligation performed	15,312,377	-
Transfer to trade receivables	(1,086,789)	-
Changes due to measurement of progress or estimation of transaction price	(1,479,503)	-
Contract modification	60	-
Reclassification	-	9,702
Billing to customers during the financial year	(55,400,320)	(39,537,978)
	15,638,479	7,275,465
Less : Accumulated impairment losses	(418,870)	(1,898,373)
At end of the financial year	15,219,609	5,377,092
Represented by : -		
Contract assets	15,751,771	6,193,541
Contract liabilities	(532,162)	(816,449)
	15,219,609	5,377,092

The movement of accumulated impairment losses of contract assets of the Group during the financial year are as follows : -

	2024 RM	2023 RM
At the beginning of the financial year	1,898,373	1,862,205
Additions	-	36,168
Reversals	(1,479,503)	-
At the end of the financial year	418,870	1,898,373

(d) As at the end of the financial year, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts of the Group is RM234,276,820 (2023 – RM274,632,884). These remaining performance obligations are expected to be recognised as below : -

	2024 RM	2023 RM
Within 1 year	127,571,534	206,464,397
Between 1 to 5 years	106,705,286	68,168,487
	234,276,820	274,632,884

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13. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	2024	2023
	RM	RM
Amount due from subsidiary companies:-		
Non-trade	32,304,483	89,479,053
Less : Accumulated impairment losses	(17,805,257)	(16,023,264)
	14,499,226	73,455,789

The movement of accumulated impairment losses of amount due from subsidiary companies during the financial year are as follows : -

	Company	
	2024	2023
	RM	RM
At the beginning of the financial year	16,023,264	15,609,790
Addition	1,781,993	413,474
At the end of the financial year	17,805,257	16,023,264

	Company	
	2024	2023
	RM	RM
Amount due to a subsidiary company : -		
Non-trade	(15,062,866)	(97,000)

Both the amount due from/(to) subsidiary companies are unsecured, bear interest rate at 3.75% (2023 – 3.50%) per annum and are repayable on demand.

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and of the Company amounted to RM10,808,088 (2023 – RM10,420,927) and RM5,358,328 (2023 – RM5,214,458) respectively, have been pledged to licensed banks as security for credit facilities granted to a subsidiary company as disclosed in Note 18 and Note 33 to the financial statements.

The fixed deposits with licensed banks of the Group and of the Company have maturity periods of 3 to 12 months (2023 – 3 to 12 months) and 3 months (2023 – 3 months) respectively. The effective interest rates of deposits with licensed banks of the Group and of the Company at the end of the financial year are in the range from 2.55% to 2.80% (2023 – 2.55% to 2.75%) per annum and 2.55% (2023 – 2.75%) per annum respectively.

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15. SHARE CAPITAL

	Group and Company			
	2024 Unit	2023 Unit	2024 RM	2023 RM
At the beginning of the financial year	640,241,285	582,037,532	166,258,892	153,623,689
Issuance of ordinary shares pursuant to private placement	-	58,203,753	-	12,759,057
Issuance of ordinary shares pursuant to debt settlements	18,496,345	-	11,301,267	-
Less:-				
- share issue expenses	-	-	-	(123,854)
	658,737,630	640,241,285	177,560,159	166,258,892

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

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share of meetings of the Company. The ordinary shares have no par value.

16. RESERVES

(a) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of a foreign subsidiary company whose functional currency is different from that of the Group's presentation currency.

(b) Revaluation reserve

The revaluation reserves represents the increase in the fair value of a freehold land, leasehold land and buildings of the Group and of the Company (net of deferred tax, where applicable) presented under property, plant and equipment.

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30 June 2024
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17. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Other payables	11,835,276	141,976	11,696,813	8,737
Current				
Other payables – third parties	4,754,371	900,062	4,365,971	483,772
Accruals	5,682,932	2,560,799	389,035	934,156
Advance received	-	5,250	-	-
Deposit received	3,588,412	1,641,180	-	-
Deposit received from a subsidiary company	-	-	43,200	43,200
	14,025,715	5,107,291	4,798,206	1,461,128
	25,860,991	5,249,267	16,495,019	1,469,865

18. BORROWINGS

	Group	
	2024 RM	2023 RM
Non-Current Liabilities		
<u>Secured</u>		
Hire purchase	1,339,824	1,355,179
Term loans	21,273,460	20,454,827
	22,613,284	21,810,006
Current Liabilities		
<u>Secured</u>		
Bankers' acceptances	13,118,000	17,661,021
Bank overdrafts	3,000,000	5,672,171
Hire purchase	534,311	466,438
Revolving credit	16,739,705	-
Term loans	1,377,900	2,835,198
	34,769,916	26,634,828
Total borrowings		
<u>Secured</u>		
Bankers' acceptances (Note 18(a))	13,118,000	17,661,021
Bank overdrafts (Note 18(b))	3,000,000	5,672,171
Hire purchase	1,874,135	1,821,617
Term loans (Note 18(c))	22,651,360	23,290,025
Revolving credit (Note 18(d))	16,739,705	-
	57,383,200	48,444,834

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

18. BORROWINGS (cont'd)

	2024	2023
	%	%
Interest rate : -		
- Bankers' acceptances	5.00	3.55 – 5.09
- Bank overdrafts	8.00	7.70 – 7.95
- Hire purchase	2.12 – 6.65	2.12 – 6.51
- Term loans	3.25 – 7.00	4.50 – 5.70
- Revolving credit	6.20	N/a

a) Bankers' acceptances

Bankers' acceptance I were drawn down under conventional loan facility and is secured by a first legal charge over a leasehold land of the Company as disclosed in Note 5 to the financial statements, together with the buildings thereon of the Group as disclosed in Note 5 to the financial statements; and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above the licensed bank's cost of fund.

Bankers' acceptance II were drawn down under conventional loan facility and is secured by a second legal charge over a leasehold land of the Company and of a subsidiary company as disclosed in Note 5 to the financial statements, together with the buildings thereon of the Group as disclosed in Note 5 to the financial statements; and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above the licensed bank's cost of fund.

Bankers' acceptance III were drawn down under Islamic loan facility and is secured by a first party legal charge over a leasehold land of a subsidiary company as disclosed in Note 5 to the financial statements, together with the buildings thereon of the Group as disclosed in Note 4 to the financial statements, and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above the licensed bank's prevailing Islamic Money Market Rate.

b) Bank overdrafts

Bank overdraft I is secured by a first legal charge over a leasehold land of the Group and of the Company as disclosed in Note 5 to the financial statements, together with the building thereon as disclosed in Note 5 to the financial statements and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above the bank's Base Lending Rate daily rest.

Bank overdraft II is secured by fixed deposit pledged by a subsidiary company as disclosed in Note 14 to the financial statements. Interest is charged at 1.00% (2023 – 1.00%) per annum above the licensed bank's prevailing Base Financing Rate.

Bank overdraft III is secured by first party first legal charge over a leasehold land of a subsidiary company together with the building thereon as disclosed in Note 5 to the financial statements and corporate guarantee by the Company. Interest is charged at 1.00% (2023 – Nil) per annum above the bank's prevailing Base Financing Rate.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

18. BORROWINGS (cont'd)

c) Term loans

	Group	
	2024	2023
	RM	RM
Secured		
Term loan 1	5,286,603	5,671,801
Term loan 2	5,560,344	5,942,084
Term loan 3	-	11,676,140
Term loan 4	11,804,413	-
	22,651,360	23,290,025
Non-Current Liabilities		
Later than one year and not later than two years		
- Term loan 1	494,171	468,082
- Term loan 2	483,044	461,660
- Term loan 3	-	2,036,263
- Term loan 4	517,759	-
	1,494,974	2,966,005
Later than two years and not later than five years		
- Term loan 1	1,621,305	1,534,472
- Term loan 2	1,546,862	1,476,645
- Term loan 3	-	6,714,331
- Term loan 4	1,788,868	-
	4,957,035	9,725,448
Later than five years		
- Term loan 1	2,723,161	3,222,139
- Term loan 2	3,083,355	3,557,354
- Term loan 3	-	983,881
- Term loan 4	9,014,935	-
	14,821,451	7,763,374
Current Liabilities		
Not later than one year		
- Term loan 1	447,966	447,108
- Term loan 2	447,083	446,425
- Term loan 3	-	1,941,665
- Term loan 4	482,851	-
	1,377,900	2,835,198
Total	22,651,360	23,290,025

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

18. BORROWINGS (cont'd)

c) Term loans (cont'd)

The details of term loans are as follows : -

Term loan 1 is secured by a first legal charge over a leasehold land of the Company as disclosed in Note 5 to the financial statements, together with the building thereon as disclosed in Note 5 to the financial statements and corporate guarantee by the Company. Interest is charged at 1.00% (2023 – 1.00%) per annum below the licensed bank's Base Lending Rate.

Term loan 2 is secured by a first party first legal charge over a leasehold land of a subsidiary company together with the building thereon and a first or third party letter of set-off over fixed deposit pledged as disclosed in Notes 5 and 14 to the financial statements respectively, and corporate guarantee by the Company. Interest is charged at 2.20% (2023 – 2.20%) per annum below the licensed bank's Base Lending Rate.

Term loan 3 was drawn down under Tawarruq Term Financing-I and is secured by a first party legal charge over a leasehold land of a subsidiary company as disclosed in Note 5 to the financial statements, together with the building thereon of the Group as disclosed in Note 5 to the financial statements, and corporate guarantee by the Company. Interest is charged at 1.25% (2023 – 1.25%) per annum above effective profit rate of Islamic Cost of Fund (iCOF) with a minimum rate of 4% (2023 – 4.00%) per annum or such other minimum rate as may be prescribed by the bank not exceeding ceiling profit rate of 12% (2023 – 12.00%) per annum.

Term loan 4 arose from the settlement of term loan 3 during the financial year. Term loan 4 was drawn down under Murabahah Term Financing-I and is secured by a first party legal charge over a leasehold land of the Group as disclosed in Note 5 to the financial statements, together with the building thereon of the Company as disclosed in Note 5 to the financial statements, and corporate guarantee by the Company. Interest is charged at 0% per annum above effective profit rate of Base Financing Rate (BFR) with a minimum rate of 7.00% per annum or such other minimum rate as may be prescribed by the bank not exceeding ceiling profit rate of 11.00% per annum.

d) Revolving credit

Revolving credit arose from the settlement of Bankers' acceptance III during the financial year. Revolving credit is secured by first party first legal charge over a leasehold land of a subsidiary company, together with the building thereon as disclosed in Note 5 to the financial statements; and corporate guarantee by the Company. Interest is charged at 1.50% (2023 – Nil) per annum above the bank's Cost of Fund daily rest.

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19. LEASE LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At the beginning of the financial year	458,711	1,655,830	340,343	1,655,830
Additions	72,848	480,028	-	369,074
Derecognition	-	(943,721)	-	(943,721)
Interest expense recognised in profit or loss	23,637	18,252	13,500	39,815
Repayment of principal and interest	(143,749)	(751,678)	(132,000)	(780,655)
At the end of the financial year	411,447	458,711	221,843	340,343
Minimum lease payments : -				
Not later than one year	147,000	108,000	132,000	132,000
Later than one year but not later than two years	147,000	108,000	99,000	132,000
Later than two years but not later than five years	153,250	297,000	-	99,000
Later than five years	-	-	-	-
	447,250	513,000	231,000	363,000
Less : Future finance charges	(35,803)	(54,289)	(9,157)	(22,657)
Present value of lease liabilities	411,447	458,711	221,843	340,343
Represented by:-				
Non-current	281,695	370,790	97,405	221,843
Current	129,752	87,921	124,438	118,500
	411,447	458,711	221,843	340,343
	%	%	%	%
Interest rate of lease liabilities	4.90 - 6.65	4.90	4.90	4.90

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
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20. DEFERRED TAX LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At the beginning of the financial year	(593,206)	(597,254)	-	-
Recognised in other comprehensive income	(16,492,239)	-	(3,862,183)	-
Recognised in profit or loss	463,076	4,048	77,598	-
At the end of the financial year	(16,622,369)	(593,206)	(3,784,585)	-
Presented after appropriate offsetting as follows:-				
Deferred tax assets	12,209,708	2,111,827	442,925	60,882
Deferred tax liabilities	(28,832,077)	(2,705,033)	(4,227,510)	(60,882)
	(16,622,369)	(593,206)	(3,784,585)	-

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows : -

Group	Leasehold land and buildings RM	Freehold land and building RM	Capital allowances in excess of depreciation RM	Total RM
Deferred tax liabilities				
At 1 July 2022	-	(597,254)	(2,111,827)	(2,709,081)
Recognised in profit or loss	-	4,048	-	4,048
At 30 June 2023	-	(593,206)	(2,111,827)	(2,705,033)
Recognised in other comprehensive income	(16,492,239)	-	-	(16,492,239)
Recognised in profit or loss	463,076	-	(10,097,881)	(9,634,805)
At 30 June 2024	(16,029,163)	(593,206)	(12,209,708)	(28,832,077)

Group	Unutilised Tax Losses RM	Unutilised Capital Allowances RM	Other Deductible Temporary Differences RM	Total RM
Deferred tax assets				
At 1 July 2022/1 July 2023	-	563,672	1,548,155	2,111,827
Recognised in profit or loss	3,252,964	4,743,136	2,101,781	10,097,881
At 30 June 2024	3,252,964	5,306,808	3,649,936	12,209,708

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20. DEFERRED TAX LIABILITIES (cont'd)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows : - (cont'd)

Company	Leasehold land and buildings RM	Capital allowances in excess of depreciation RM	Total RM
Deferred tax liabilities			
At 1 July 2022/1 July 2023	-	(60,882)	(60,882)
Recognised in other comprehensive income	(3,862,183)	-	(3,862,183)
Recognised in profit or loss	77,598	(382,043)	(304,445)
30 June 2024	(3,784,585)	(442,925)	(4,227,510)

	Unutilised Tax Losses RM	Unutilised Capital Allowances RM	Other deductible temporary differences RM	Total RM
Deferred tax assets				
At 1 July 2022/1 July 2023	-	-	60,882	60,882
Recognised in profit or loss	211,019	230,820	(59,796)	382,043
30 June 2024	211,019	230,820	1,086	442,925

21. TRADE PAYABLES

- (a) The normal trade credit term granted to the Group ranged from 30 to 90 days (2023 – 30 to 90 days).
- (b) Included in the trade payables of the Group are retention sum amounted to RM3,477,526 (2023 – RM6,254,466).

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22. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Revenue from Contracts with Customers</u>				
Sale of goods	115,427,109	90,583,008	-	-
Construction contracts	50,874,730	40,937,089	-	-
Sale of properties	-	365,000	-	-
Project management fee	322,334	159,454	-	-
	166,624,173	132,044,551	-	-
<u>Revenue from Other Sources</u>				
Management fees from subsidiary companies	-	-	5,004,881	5,778,222
Rental income	-	-	264,000	264,000
	-	-	5,268,881	6,042,222
	166,624,173	132,044,551	5,268,881	6,042,222
<u>Timing of revenue recognition</u>				
At a point in time	115,427,109	90,948,008	-	-
Over time	51,197,064	41,096,543	-	-
	166,624,173	132,044,551	-	-

23. OTHER OPERATING INCOME

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Foreign exchange gain : -				
- Realised	468	5,077	-	-
- Unrealised	158,031	761,444	-	-
Gain on disposal of property, plant and equipment	10,920	92	-	-
Gain on lease modification	-	17,340	-	17,340
Interest income	356,356	363,973	143,869	147,263
Interest income from subsidiary companies	-	-	2,089,068	2,260,907
Project income	424,321	3,281	-	-
Rental income	89,600	4,250	-	-
Reversal of inventories written off	-	8,581	-	-
Reversal of inventories written down	-	25,260	-	-
Sundry income	316,735	257,926	3	223
	1,356,431	1,447,224	2,232,940	2,425,733

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24. NET IMPAIRMENT (GAIN)/LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Impairment losses on : -				
- trade receivables	82,874	146,247	-	-
- other receivables	1,753,368	19,778,428	-	14,450,000
- contract assets	-	36,168	-	-
- amount due from subsidiary companies	-	-	1,781,993	413,474
Reversal of impairment losses on : -				
- trade receivables	(626,708)	(876,277)	-	-
- other receivables	(523,055)	(9,702)	(320,000)	-
- contract assets	(1,479,503)	-	-	-
	(793,024)	19,074,864	1,461,993	14,863,474

25. FINANCE COSTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest expense on financial liabilities that are not at fair value through profit or loss : -				
- Amount due to subsidiary companies	-	-	157,171	6,492
- Bank overdrafts	110,709	3,306	-	-
- Bankers' acceptances	706,800	706,770	-	-
- Hire purchase	95,272	143,347	-	-
- Lease liabilities	20,078	5,666	13,500	39,815
- Revolving credits	293,422	-	-	-
- Term loans	1,313,457	1,214,975	-	-
	2,539,738	2,074,064	170,671	46,307

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26. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
This is arrived at after charging:-				
Auditors' remuneration:-				
(a) Statutory audit				
- Kreston John & Gan	291,000	315,000	85,000	85,000
- Other auditors				
- current year	17,844	15,881	-	-
- prior year	-	47,977	-	-
(b) Non-audit services	13,000	13,000	13,000	13,000
Bad debt written off	645	-	-	-
Depreciation of property, plant and equipment	7,294,034	5,674,664	852,464	1,031,517
Depreciation of investment properties	145,000	12,083	-	-
Directors' remuneration (Note 28)	1,581,262	2,178,030	1,162,477	1,663,374
Loss on disposal of property, plant and equipment	208,793	-	-	-
Impairment losses on:-				
- property, plant and equipment	-	267,716	-	-
- investment in subsidiary	-	-	10,193,184	-
Inventories written down	26,165	11,592	-	-
Property, plant and equipment written off	10,685	392,311	-	388,298
Realised loss on foreign exchange	-	12,127	-	-

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26. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
This is arrived at after charging:- (cont'd)				
Rental expense on:-				
(a) short-term lease				
- land and buildings	53,050	-	-	-
- plant and machineries	299,826	319,407	-	-
(b) low value assets				
- office equipment	85,748	70,265	26,581	29,779
Employee benefits expense (Note 27)	17,867,193	15,753,072	3,270,011	3,766,599
Unrealised loss on foreign exchange	-	283	-	283
And crediting:-				
Gain on disposal of property, plant and equipment	(10,920)	(92)	-	-
Gain on lease modification	-	(17,340)	-	(17,340)
Interest income on financial assets measured at amortised cost:-				
- amount due from subsidiary companies	-	-	(2,089,068)	(2,260,907)
- bank balances	(57,001)	(60,183)	-	(45)
- fixed deposits with licensed bank	(285,102)	(183,499)	(143,869)	(147,218)
- trade receivables	(14,253)	(120,291)	-	-
Realised gain on foreign exchange	(468)	(5,077)	-	-
Rental income	(89,600)	(4,250)	(264,000)	(264,000)
Reversal of inventories written down	-	(25,260)	-	-
Reversal of inventories written off	(3,081)	(21,803)	-	-
Unrealised gain on foreign exchange	(158,031)	(761,444)	-	-

27. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages, bonuses and allowances	15,467,280	13,530,787	2,729,230	3,192,080
Employment Insurance System	22,948	20,624	3,626	3,872
Employees Provident Fund	1,608,487	1,474,638	293,444	354,386
Social security cost	202,754	182,063	32,516	34,626
Other benefits	565,724	544,960	211,195	181,635
	17,867,193	15,753,072	3,270,011	3,766,599

Included in employee benefits expense of the Group and of the Company are compensation of key management personnels excluding benefits-in-kind, amounting to RM494,816 and RM245,409 (2023 – RM1,385,108 and RM1,104,141) respectively, as disclosed in Note 39 to the financial statements.

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28. DIRECTORS' REMUNERATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Fees	95,530	321,377	95,530	321,377
Salaries, allowances and bonus	1,318,725	1,667,120	944,779	1,207,709
Employment Insurance System	356	403	237	213
Employees Provident Fund	163,531	185,596	119,851	132,204
Social security cost	3,120	3,534	2,080	1,871
	1,581,262	2,178,030	1,162,477	1,663,374

29. INCOME TAX EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Income tax:-				
- Current year	3,479,738	1,753,178	486,375	289,476
- Prior year	(157,396)	(189,389)	(5,387)	(38,497)
	3,322,342	1,563,789	480,988	250,979
Deferred tax	(463,076)	(4,048)	(77,598)	-
Income tax expense	2,859,266	1,559,741	403,390	250,979

The reconciliation from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows : -

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before taxation	7,684,873	(22,081,943)	(12,315,584)	(15,854,892)
Tax at statutory income rate of 24% (2023 - 24%)	1,844,370	(5,299,666)	(2,955,740)	(3,805,174)
Non-allowable expenses	2,970,875	6,888,942	3,287,478	4,069,957
Non-taxable income	(515,837)	(271,712)	(76,800)	(4,162)
Deferred tax assets not recognised	1,017,933	1,624,197	231,437	28,855
Utilisation deferred tax assets not recognised in previous year	(1,837,603)	(1,188,583)	-	-
Crystallisation of deferred tax liabilities	(463,076)	(4,048)	(77,598)	-
Over provision of taxation in previous financial year	(157,396)	(189,389)	(5,387)	(38,497)
Income tax expense	2,859,266	1,559,741	403,390	250,979

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29. INCOME TAX EXPENSE (cont'd)

As at 30 June 2024, the Group and the Company have the following temporary differences which are not recognised as deferred tax assets in the financial statements as it is not probable that future taxable income will be available to allow the assets to be utilised : -

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed capital allowances	11,466,428	16,633,962	961,751	854,922
Unutilised tax losses:-				
- expires YA2028	4,653,145	4,653,145	-	-
- expires YA2029	960,466	960,466	-	-
- expires YA2030	560,052	560,052	-	-
- expires YA2031	3,972,014	3,972,014	870,476	870,476
- expires YA2032	4,828,193	4,828,193	8,768	8,768
- expires YA2033	7,113,810	7,113,810	-	-
- expires YA2034	3,177,852	-	-	-
Other temporary differences	40,852,678	42,278,287	32,076,220	31,218,730
	77,584,638	80,999,929	33,917,215	32,952,896

30. EARNINGS/(LOSS) PER SHARE

	Group	
	2024 RM	2023 RM
Profit/(Loss) attributable to owners of the Company (RM)	4,481,877	(24,330,339)
Weighted average number of ordinary shares at 30 June	644,435,811	588,358,183
Basic earnings/(loss) per share (Sen)	0.70	(4.14)
Diluted earnings/(loss) per share (Sen)	0.70	(4.14)

The basic and diluted earnings/(loss) per share are reported to be the same for the current year and last year as the Company has no dilutive potential shares.

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31. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cost of property, plant and equipment purchased (Note 5)	26,928,366	890,028	21,724,521	439,518
Acquired through hire purchase arrangement	(609,200)	-	-	-
Addition of new lease liabilities	(72,848)	(480,028)	-	(369,074)
Unpaid and included under other payables	(15,936,832)	-	(15,936,832)	-
Cash payment on purchase of property, plant and equipment	10,309,486	410,000	5,787,689	70,444

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

- a. The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes as follows : -

	At 1 July	Net change from financing cash flows	Acquisition of new lease	New hire purchase	Derecognition due to lease modification	At 30 June
	RM	RM	RM	RM	RM	RM
Group						
2024						
Term loans	23,290,025	(638,665)	-	-	-	22,651,360
Bankers' acceptances	17,661,021	(4,543,021)	-	-	-	13,118,000
Lease liabilities	458,711	(120,112)	72,848	-	-	411,447
Hire purchase	1,821,617	(556,682)	-	609,200	-	1,874,135
Revolving credit	-	16,739,705	-	-	-	16,739,705
	43,231,374	10,881,225	72,848	609,200	-	54,794,647
2023						
Term loans	25,851,283	(2,561,258)	-	-	-	23,290,025
Bankers' acceptances	19,072,568	(1,411,547)	-	-	-	17,661,021
Lease liabilities	1,655,830	(733,426)	480,028	-	(943,721)	458,711
Hire purchase	2,436,431	(614,814)	-	-	-	1,821,617
	49,016,112	(5,321,045)	480,028	-	(943,721)	43,231,374

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (cont'd)

- a. The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes as follows : - (cont'd)

	At 1 July RM	Net change from financing cash flows RM	Acquisition of new lease RM	Derecognition due to lease modification RM	At 30 June RM
Company					
2024					
Lease liabilities	340,343	(118,500)	-	-	221,843
2023					
Lease liabilities	1,655,830	(740,840)	369,074	(943,721)	340,343

- b. Cash outflows for leases as a lessee : -

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in net cash from operating activities:-				
Payment relating to short-term leases	352,876	319,407	-	-
Payment relating to low-value assets	85,748	70,265	26,581	29,779
Interest paid in relation to lease liabilities	23,637	18,252	13,500	39,815
Included in net cash from financing activities:-				
Payment of lease liabilities	120,112	733,426	118,500	740,840
	582,373	1,141,350	158,581	810,434

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
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33. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances	24,307,586	29,688,089	331,677	1,690,456
Fixed deposits with licensed banks	10,808,088	10,420,927	5,358,328	5,214,458
Bank overdrafts	(3,000,000)	(5,672,171)	-	-
	32,115,674	34,436,845	5,690,005	6,904,914
Less: Fixed deposits pledged to licensed banks (Note 14)	(10,808,088)	(10,420,927)	(5,358,328)	(5,214,458)
	21,307,586	24,015,918	331,677	1,690,456

34. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Senior Management as its chief operating decision maker in order to allocate resources to segments and to access their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 5 main reportable segments as follows : -

- Corporate Segment – involved in the provision of management services and investment holding.
 - Manufacturing Segment – involved in the manufacturing and sale of precast concrete pipes, prestressed spun concrete piles and other related concrete products as well as the manufacturing, supplying and installations of prefabricated Lightweight Systems products.
 - Property Trading Segment – involved in the business of dealing and trading of properties.
 - Construction/EPCC Segment/Project Management Segment – involved in the supply and installation of industrialised building system components, construction contracts, engineering, procurement, construction and commissioning (“EPCC”) which includes, among others, piping system, process control and instrumentation, equipment installation, road construction, road maintenance and other related services.
 - Others – involved in trading of shares.
- (a) The Group Senior Management assesses the performance of the reportable segments based on their profit before taxation. The accounting policies of the reportable segments are the same as the Group’s accounting policies.
- (b) Transactions between reportable segments are carried out on agreed terms between both parties. Transfer prices between operating segments are at arm’s length basis in a manner similar to transactions with third parties. The effects of such inter-segments transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Others RM	Consolidation adjustment and elimination RM	Group RM
2024							
Revenue							
External revenue	-	115,427,109	-	51,197,064	-	-	166,624,173
Inter-segment revenue	5,268,881	1,040,403	-	800,219	-	(7,109,503)	-
	5,268,881	116,467,512	-	51,997,283	-	(7,109,503)	166,624,173
Represented by:-							
<u>Revenue recognised at a point of time</u>							
- Sale of goods	-	116,467,512	-	-	-	(1,040,403)	115,427,109
<u>Revenue recognised over time</u>							
- Construction services	-	-	-	50,874,730	-	-	50,874,730
- Project management fee	-	-	-	322,334	-	-	322,334
<u>Revenue from other sources</u>							
- Management fees from subsidiaries	5,004,881	-	-	800,219	-	(5,805,100)	-
- Rental income	264,000	-	-	-	-	(264,000)	-
	5,268,881	116,467,512	-	51,997,283	-	(7,109,503)	166,624,173

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments (cont'd)

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Others RM	Consolidation adjustment and elimination RM	Group RM
2024							
Results							
Segment (loss)/profit	(10,419,261)	14,399,302	(28,069)	118,470	(9,003)	7,947,268	12,008,707
Finance costs	(201,815)	(2,476,553)	-	(2,929,516)	(30)	3,068,176	(2,539,738)
	(10,621,106)	11,922,749	(28,069)	(2,811,046)	(9,033)	11,015,444	9,468,969
Corporate expenses							(1,784,096)
Consolidated profit before taxation							7,684,873
Segment (loss)/profit includes the followings:-							
Bad debts written off	-	645	-	-	-	-	645
Depreciation of property, plant and equipment	852,464	5,160,605	-	1,492,899	-	(211,934)	7,294,034
Depreciation of investment properties	-	145,000	-	-	-	-	145,000
(Gain)/Loss on disposal of plant and equipment	-	(10,920)	-	208,793	-	-	197,873
Impairment losses on:-							
- trade receivables	-	43,750	-	39,124	-	-	82,874
- other receivables	-	-	-	1,753,368	-	-	1,753,368
Interest expense	188,315	2,416,565	-	2,388,315	30	(2,568,837)	2,424,388
Interest expense on lease liabilities	13,500	38,225	-	100,073	-	(131,720)	20,078
Interest expense on hire purchase	-	21,763	-	73,509	-	-	95,272
Interest income	(2,232,937)	(433,860)	-	(725, 805)	(283)	3,036,529	(356,356)
Inventories written down	-	26,165	-	-	-	-	26,165
Inventories written back	-	(3,081)	-	-	-	-	(3,081)
Property, plant and equipment written off	-	1,495	-	9,190	-	-	10,685
Reversal of impairment losses on:-							
- trade receivables	-	(436,093)	-	(190,615)	-	-	(626,708)
- other receivables	(320,000)	(3,055)	-	(200,000)	-	-	(523,055)
- contract assets	-	-	-	(1,479,503)	-	-	(1,479,503)
Unrealised gain on foreign exchange	-	-	-	(158,031)	-	-	(158,031)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
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34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments (cont'd)

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Others RM	Consolidation adjustment and elimination RM	Group RM
2024							
Assets							
Segment assets	210,582,292	188,327,411	711,664	89,478,212	89,929	(203,841,386)	285,348,122
Additions to non-current assets other than financial instruments are:-							
Property, plant and equipment	21,724,521	3,463,949	-	1,739,896	-	-	26,928,366
Liabilities							
Segment liabilities	36,557,133	99,427,412	-	69,516,464	6,074	(72,349,028)	133,158,055
	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Consolidation adjustment and elimination RM	Group RM	
2023							
Revenue							
External revenue	-	90,583,008	365,000	41,096,543	-	-	132,044,551
Inter-segment revenue	6,042,222	1,529,883	-	2,452,713	(10,024,818)	-	-
	6,042,222	92,112,891	365,000	43,549,256	(10,024,818)	-	132,044,551
Represented by:-							
<u>Revenue recognised at a point of time</u>							
- Sale of goods	-	92,112,891	-	-	-	(1,529,883)	90,583,008
- Sale of properties	-	-	365,000	-	-	-	365,000
<u>Revenue recognised over time</u>							
- Construction services	-	-	-	40,937,089	-	-	40,937,089
- Project management fee	-	-	-	159,454	-	-	159,454
<u>Revenue from other sources</u>							
- Management fees from subsidiaries	5,778,222	-	-	2,452,713	(8,230,935)	-	-
- Rental income	264,000	-	-	-	(264,000)	-	-
	6,042,222	92,112,891	365,000	43,549,256	(10,024,818)	-	132,044,551

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments (cont'd)

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Consolidation adjustment and elimination RM	Group RM
2023						
Results						
Segment (loss)/profit	(214,381)	6,035,345	(65,654)	(7,124,187)	(2,969,969)	(4,338,846)
Finance costs	(74,220)	(1,995,324)	-	(3,630,692)	3,626,172	(2,074,064)
	(288,601)	4,040,021	(65,654)	(10,754,879)	656,203	(6,412,910)
Corporate expenses						(15,669,033)
Consolidated loss before taxation						(22,081,943)
Segment (loss)/ profit includes the followings:-						
Depreciation of plant and equipment	191,745	2,980,229	-	586,735	(95,424)	3,663,285
Depreciation of investment properties	-	12,083	-	-	-	12,083
Depreciation of right-of- use assets	839,772	687,924	-	573,368	(89,685)	2,011,379
Gain on disposal of plant and equipment	-	-	-	(92)	-	(92)
Gain on lease modification	(17,340)	-	-	-	-	(17,340)
Impairment losses on:-						
- property, plant and equipment	-	-	-	267,716	-	267,716
- investment in a subsidiary company	-	-	-	90,000	(90,000)	-
- trade receivables	-	80,665	-	65,582	-	146,247
- other receivables	14,450,000	-	-	5,328,428	-	19,778,428
- contract assets	-	-	-	36,168	-	36,168
- amount due from subsidiary companies	413,474	65,141	-	908,078	(1,386,693)	-
Interest expense	34,405	1,947,175	-	3,417,346	(3,473,875)	1,925,051
Interest expense on lease liabilities	39,815	-	-	-	(34,149)	5,666

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34. OPERATING SEGMENTS (cont'd)

34.1 Business Segments (cont'd)

	Corporate RM	Manufacturing RM	Property trading RM	Construction/ EPCC/project management RM	Consolidation adjustment and elimination RM	Group RM
2023						
Results (cont'd)						
Segment (loss)/ profit includes the followings:-(cont'd)						
Interest expense on hire purchase	-	48,149	-	213,346	(118,148)	143,347
Interest income	(2,408,170)	(281,572)	-	(1,266,254)	3,592,023	(363,973)
Inventories written down	-	11,592	-	-	-	11,592
Inventories written back	-	(21,803)	-	-	-	(21,803)
Property, plant and equipment written off	388,298	4,013	-	-	-	392,311
Reversal of impairment losses on:-						
- trade receivables	-	(876,277)	-	-	-	(876,277)
- other receivables	-	-	-	(9,702)	-	(9,702)
Reversal of inventories written down	-	(25,260)	-	-	-	(25,260)
Unrealised loss/(gain) on foreign exchange	283	-	-	(761,444)	-	(761,161)
Assets						
Segment assets	166,219,287	111,076,156	700,461	77,638,178	(166,887,013)	188,747,069
Additions to non- current assets other than financial instruments are:-						
Property, plant and equipment	439,518	1,553,562	-	25,950	(1,129,002)	890,028
Liabilities						
Segment liabilities	2,824,190	71,803,482	-	134,158,041	(103,561,486)	105,224,227

34.2 Geographical Information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

34.3 Major Customer

The following is the major customer with revenue equal to or more than 10% of the Group's total revenue : -

	Revenue		Segment
	2024 RM	2023 RM	
Customer #1	31,073,916	26,614,424	Construction services

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35. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets measured at amortised cost (“FAAC”); and,
- (ii) Financial liabilities measured at amortised cost (“FLAC”).

	Carrying amount RM	FAAC RM	FLAC RM
Group			
2024			
Financial assets			
Trade receivables	40,279,025	40,279,025	-
Other receivables and deposits	28,685,070	28,685,070	-
Fixed deposits with licensed banks	10,808,088	10,808,088	-
Cash and bank balances	24,307,586	24,307,586	-
	104,079,769	104,079,769	-
Financial liabilities			
Trade payables	(32,198,070)	-	(32,198,070)
Other payables and accruals	(25,860,991)	-	(25,860,991)
Borrowings	(57,383,200)	-	(57,383,200)
Lease liabilities	(411,447)	-	(411,447)
	(115,853,708)	-	(115,853,708)
2023			
Financial assets			
Trade receivables	44,757,364	44,757,364	-
Other receivables and deposits	16,917,726	16,917,726	-
Fixed deposits with licensed banks	10,420,927	10,420,927	-
Cash and bank balances	29,688,089	29,688,089	-
	101,784,106	101,784,106	-
Financial liabilities			
Trade payables	(48,716,100)	-	(48,716,100)
Other payables and accruals	(5,249,267)	-	(5,249,267)
Borrowings	(48,444,834)	-	(48,444,834)
Lease liabilities	(458,711)	-	(458,711)
	(102,868,912)	-	(102,868,912)

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35. FINANCIAL INSTRUMENTS (cont'd)

a) Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows: (cont'd)

	Carrying amount RM	FAAC RM	FLAC RM
Company			
2024			
Financial assets			
Other receivables and deposits	1,242,775	1,242,775	-
Amount due from subsidiary companies	14,499,226	14,499,226	-
Fixed deposits with licensed banks	5,358,328	5,358,328	-
Cash and bank balances	331,677	331,677	-
	21,432,006	21,432,006	-
Financial liabilities			
Other payables and accruals	(16,495,019)	-	(16,495,019)
Amount due to a subsidiary company	(15,062,866)	-	(15,062,866)
Lease liabilities	(221,843)	-	(221,843)
	(31,779,728)	-	(31,779,728)
2023			
Financial assets			
Other receivables and deposits	320,872	320,872	-
Amount due from subsidiary companies	73,455,789	73,455,789	-
Fixed deposits with licensed banks	5,214,458	5,214,458	-
Cash and bank balances	1,690,456	1,690,456	-
	80,681,575	80,681,575	-
Financial liabilities			
Other payables and accruals	(1,469,865)	-	(1,469,865)
Amount due to a subsidiary company	(97,000)	-	(97,000)
Lease liabilities	(340,343)	-	(340,343)
	(1,907,208)	-	(1,907,208)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

b) Gains and losses arising from financial instruments

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Net (losses)/gain on:-				
Financial assets measured at amortised cost	1,153,392	(17,364,403)	770,944	(12,455,587)
Financial liabilities measured at amortised cost	(2,392,821)	(2,667,025)	(170,671)	(46,307)
	(1,239,429)	(20,031,428)	600,273	(12,501,894)

c) Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity and cash flow risk
- Market risk
- Operational risk

i) Credit risk

Credit risk is the risk of a financial loss to the Group or to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers and advances to subsidiary companies.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high credit worthiness. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

There are no significant changes as compared to previous financial year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

Concentration of credit risk

As at 30 June 2024, the Group has significant concentration of credit risk in the form of outstanding balance of approximately RM11,901,499 due from five trade receivables which represents 30% of the total trade receivable of the Group. However, the directors are of the opinion that these amounts outstanding is fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure the expected credit losses ("ECL") of trade receivables from individual customers, which comprise a very large number of insignificant balances outstanding.

To measure the ECLs, trade receivables have been grouped based on credit risk and day past due.

Where a trade receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2024 and 30 June 2023 respectively which are grouped together as they are expected to have similar risk nature : -

	Gross RM	Loss allowance RM	Net RM
Group			
2024			
Trade receivables : -			
Not past due	20,148,032	-	20,148,032
1-30 days past due	6,586,321	-	6,586,321
31-60 days past due	5,882,414	-	5,882,414
61-90 days past due	2,491,424	-	2,491,424
91-180 days past due	2,726,450	-	2,726,450
181-365 days past due	2,295,127	(13,116)	2,282,011
Past due over 365 days	162,373	-	162,373
	40,292,141	(13,116)	40,279,025
Individual impairment	21,956,933	(21,956,933)	-
	62,249,074	(21,970,049)	40,279,025
Contract assets	15,751,771	-	15,751,771
Individual impairment	418,870	(418,870)	-
	16,170,641	(418,870)	15,751,771

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2024 and 30 June 2023 respectively which are grouped together as they are expected to have similar risk nature : - (cont'd)

	Gross RM	Loss allowance RM	Net RM
Group			
2023			
Trade receivables:-			
Not past due	16,895,906	-	16,895,906
1-30 days past due	7,646,617	-	7,646,617
31-60 days past due	2,329,872	-	2,329,872
61-90 days past due	2,433,583	-	2,433,583
91-180 days past due	2,163,830	-	2,163,830
181-365 days past due	757,450	-	757,450
Past due over 365 days	12,740,629	(210,523)	12,530,106
	44,967,887	(210,523)	44,757,364
Individual impairment	22,235,638	(22,235,638)	-
	67,203,525	(22,446,161)	44,757,364
Contract assets	6,193,541	-	6,193,541
Individual impairment	1,898,373	(1,898,373)	-
	8,091,914	(1,898,373)	6,193,541

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below : -

	Lifetime ECL RM	Credit impaired RM	Total RM
Group			
2024			
Trade receivables			
At 1 July	210,523	22,235,638	22,446,161
Addition	-	82,874	82,874
Effects of foreign exchange differences	-	67,722	67,722
Reversal of impairment loss no longer required	(197,407)	(429,301)	(626,708)
At 30 June	13,116	21,956,933	21,970,049
Contract assets			
At 1 July	-	1,898,373	1,898,373
Reversal of impairment loss no longer required	-	(1,479,503)	(1,479,503)
At 30 June	-	418,870	418,870
2023			
Trade receivables			
At 1 July	210,523	81,342,648	81,553,171
Addition	-	146,247	146,247
Effects of foreign exchange differences	-	1,678,528	1,678,528
Reversal of impairment loss no longer required	-	(876,277)	(876,277)
Written off	-	(60,055,508)	(60,055,508)
At 30 June	210,523	22,235,638	22,446,161
Contract assets			
At 1 July	-	1,862,205	1,862,205
Addition	-	36,168	36,168
At 30 June	-	1,898,373	1,898,373

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Other receivables

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amount in the statement of financial position.

The identified allowance for impairment losses of other receivables of the Group and the Company are disclosed in Note 11 to the financial statements.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiary companies. The Company monitors the ability of the subsidiary companies to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment losses

Generally, the Company considers loans and advances to subsidiary companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiary companies are not able to pay when demanded. The Company considers a subsidiary company's loan or advance to be credit impaired when :-

- (a) The subsidiary company is unlikely to repay its loan or advance to the Company in full;
- (b) The subsidiary company's loan or advance is overdue for more than 365 days; or
- (c) The subsidiary company is continuously loss making and is having a deficit shareholders' funds.

The Company determines the probability of default for these loans and advances individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

i) Credit risk (cont'd)

Inter-company loans and advances (cont'd)

Recognition and measurement of impairment losses (cont'd)

The movements in the allowance for impairment in respect of amount due from subsidiary companies during the financial year are shown below : -

	Lifetime ECL RM	Credit impaired RM	Total RM
Company			
2024			
At 1 July	-	16,023,264	16,023,264
Addition	-	1,781,993	1,781,993
At 30 June	-	17,805,257	17,805,257
2023			
At 1 July	-	15,609,790	15,609,790
Addition	-	413,474	413,474
At 30 June	-	16,023,264	16,023,264

Financial guarantee

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of subsidiary companies and repayments made by the subsidiary companies.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM56,517,106 (2023 – RM42,265,950) representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period.

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

ii) Liquidity and cash flow risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : -

	Carrying amount	Contractual interest rate	Contractual cash flows	Under 1 year	1-2 years	2-5 years	More than 5 years
	RM	%	RM	RM	RM	RM	RM
Group							
2024							
<i>Non-derivative financial liabilities</i>							
Trade payables	32,198,070	-	32,198,070	32,198,070	-	-	-
Other payables and accruals	25,860,991	-	25,860,991	14,025,715	2,930,959	8,828,686	75,631
Bank overdrafts	3,000,000	8.00	3,240,000	3,240,000	-	-	-
Term loans	22,651,360	3.25 - 7.00	31,884,176	2,590,158	2,635,429	7,906,286	18,752,303
Bankers' acceptances	13,118,000	5.00	13,773,900	13,773,900	-	-	-
Lease liabilities	411,447	4.90 - 6.65	447,250	147,000	147,000	153,250	-
Hire purchases	1,874,135	2.12 - 6.65	2,060,442	611,616	641,377	658,851	148,598
Revolving credit	16,739,705	6.20	17,777,567	17,777,567	-	-	-
	115,853,708		127,242,396	84,364,026	6,354,765	17,547,073	18,976,532
2023							
<i>Non-derivative financial liabilities</i>							
Trade payables	48,716,100	-	48,716,100	48,716,100	-	-	-
Other payables and accruals	5,249,267	-	5,249,267	5,107,291	12,866	57,990	71,120
Bank overdrafts	5,672,171	7.70 - 7.95	6,110,761	6,110,761	-	-	-
Term loans	23,290,025	4.50 - 5.70	27,334,370	3,771,842	3,771,842	11,315,525	8,475,161
Bankers' acceptances	17,661,021	5.00 - 5.20	18,553,204	18,553,204	-	-	-
Lease liabilities	458,711	4.90	481,188	108,000	108,000	132,000	-
Hire purchases	1,821,617	2.12 - 6.51	2,033,411	545,352	545,352	1,043,245	32,650
	102,868,912		108,478,301	82,912,550	4,438,060	12,548,760	8,578,931

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

ii) Liquidity and cash flow risk (cont'd)

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : - (cont'd)

	Carrying amount	Contractual interest rate	Contractual cash flows	Under 1 year	1-2 years	2-5 years	More than 5 years
	RM	%	RM	RM	RM	RM	RM
Company							
2024							
<i>Non-derivative financial liabilities</i>							
Other payables and accruals	16,495,019	-	16,495,019	4,798,206	2,921,639	8,764,917	10,257
Amount due to a subsidiary company	15,062,866	3.75	15,621,875	15,621,875	-	-	-
Lease liabilities	221,843	4.90	231,000	132,000	99,000	-	-
Corporate guarantee given to licensed banks for credit facilities granted to subsidiary companies	-	-	56,517,106	56,517,106	-	-	-
	31,779,728		88,865,000	77,069,187	3,020,639	8,764,917	10,257
2023							
<i>Non-derivative financial liabilities</i>							
Other payables and accruals	1,469,865	-	1,469,865	1,461,128	-	-	8,737
Amount due to a subsidiary company	97,000	3.50	100,395	100,395	-	-	-
Lease liabilities	340,343	4.90	363,000	132,000	132,000	99,000	-
Corporate guarantee given to licensed banks for credit facilities granted to subsidiary companies	-	-	42,265,950	42,265,950	-	-	-
	1,907,208		44,199,210	43,959,473	132,000	99,000	8,737

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

Currency risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in a currency other than the functional currency of the Group and of the Company. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and Euro.

The management monitors the foreign currency exposure on an ongoing basis.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group) risk, based on carrying amounts as at the end of the reporting period was : -

Balance recognised in the statement of financial position:	Denominated in		
	USD RM	Euro RM	MYR RM
Group			
2024			
Trade receivables	-	-	40,279,025
Other receivables and deposits	-	-	28,685,070
Fixed deposits with licensed banks	-	-	10,808,088
Cash and bank balances	192,066	5,142	24,110,378
Trade payables	-	-	(32,198,070)
Other payables and accruals	(17,934)	-	(25,843,057)
Borrowings	-	-	(57,383,200)
Lease liabilities	-	-	(411,447)
	174,132	5,142	(11,953,213)
2023			
Trade receivables	-	-	44,757,364
Other receivables and deposits	-	-	16,917,726
Fixed deposits with licensed banks	-	-	10,420,927
Cash and bank balances	49,267	5,168	29,633,654
Trade payables	-	-	(48,716,100)
Other payables and accruals	(16,329)	-	(5,232,938)
Borrowings	-	-	(48,444,834)
Lease liabilities	-	-	(458,711)
	32,938	5,168	(1,122,912)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iii) Market risk (cont'd)

Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

The Company's exposure to foreign currency (a currency which is other than the functional currency of the Company) risk, based on carrying amounts as at the end of the reporting period was : - (cont'd)

Balance recognised in the statement of financial position:	Denominated in		
	USD RM	Euro RM	MYR RM
Company			
2024			
Other receivables and deposits	-	-	1,242,775
Amount due from subsidiary companies	-	-	14,499,226
Fixed deposits with licensed banks	-	-	5,358,328
Cash and bank balances	-	-	331,677
Other payables and accruals	-	-	(16,495,019)
Amount due to a subsidiary company	-	-	(15,062,866)
Lease liabilities	-	-	(221,843)
	-	-	(10,347,722)
2023			
Other receivables and deposits	-	-	320,872
Amount due from subsidiary companies	-	-	73,455,789
Fixed deposits with licensed banks	-	-	5,214,458
Cash and bank balances	-	-	1,690,456
Other payables and accruals	-	-	(1,469,865)
Amount due to a subsidiary company	-	-	(97,000)
Lease liabilities	-	-	(340,343)
	-	-	78,774,367

A 10% (2023 – 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iii) Market risk (cont'd)

Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

	2024	2023
	RM	RM
Effects on profit/(loss) after tax		
EUR/MYR		
- strengthened by 10%	391	393
- weakened by 10%	(391)	(393)
USD/MYR		
- strengthened by 10%	13,234	2,503
- weakened by 10%	(13,234)	(2,503)

A 10% (2023 – 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term investments such as deposits with licensed banks are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iii) Market risk (cont'd)

Interest rate risk (cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Fixed rate instruments</u>				
Lease liabilities	411,447	458,711	221,843	340,343
Hire purchase	1,874,135	1,821,617	-	-
<u>Floating rate instruments</u>				
Bankers' acceptances	13,118,000	17,661,021	-	-
Bank overdrafts	3,000,000	5,672,171	-	-
Term loans	22,651,360	23,290,025	-	-
Revolving credit	16,739,705	-	-	-

Interest rate risk sensitivity analysis : -

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had been 100 basis points lower /higher, with all other variables held constant, the Group's profit net of tax would have been RM421,868 (2023 – RM354,337) higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

iv) Operational risk

The operational risk arises from the daily activities of the Group and of the Company which includes legal, credit reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approval limits, clear reporting structure, segregation of duties, policies and procedures implemented and periodic management meetings.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

c) Financial risk management (cont'd)

iv) Operational risk (cont'd)

In dealing with its stewardship, the directors recognise that effective risk management is an integral part of good business practice.

The directors will pursue an ongoing process of identifying, assessing and managing key business areas, overall operational and financial risks faced by the business units as well as regularly reviewing and enhancing risk mitigating strategies with its appointed and key management personnel.

d) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings reasonably approximate their fair value due to the relatively short-term nature of these financial instruments. As the financial assets and liabilities of the Group and of the Company are not carried at fair value by any valuation method, the fair value hierarchy is not presented.

36. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may take adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Total borrowings (RM)	55,509,065	46,623,217	-	-
Hire purchases (RM)	1,874,135	1,821,617	-	-
	57,383,200	48,444,834	-	-
Less : Cash and bank balances (RM)	(24,307,586)	(29,688,089)	(331,677)	(1,690,456)
Less : Fixed deposits with licensed banks (RM)	(10,808,088)	(10,420,927)	(5,358,328)	(5,214,458)
	22,267,526	8,335,818	(5,690,005)	(6,904,914)
Total equity (RM)	152,190,067	83,522,842	137,168,273	126,355,735
Debt-to-equity ratio (times)	0.15	0.10	NA	NA

NA = Not applicable

There was no change in the Group's and the Company's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

37. CAPITAL COMMITMENT

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Approved and contracted for:-				
- purchase of property, plant and equipment	11,145,136	2,270,836	7,349	45,935

38. CONTINGENT LIABILITIES

	Group	
	2024	2023
	RM	RM
<u>Secured</u>		
Corporate guarantee granted for:-		
- subsidiary companies *	56,517,106	42,265,950

* Based on the maximum amount that can be called for under the corporate guarantee given to licensed banks for credit facilities granted to the subsidiary companies.

39. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company, and certain members of the senior management of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

39. RELATED PARTIES (cont'd)

Significant related party transactions

Related party transactions entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are shown below. The related party balances are shown in Note 13 to the financial statements.

a) Related party transactions : -

	Company	
	2024	2023
	RM	RM
Transaction with subsidiary companies:-		
SCIB Concrete Manufacturing Sdn. Bhd.		
- Management fees	(3,338,977)	(3,428,088)
- Rental income	(264,000)	(264,000)
- Interest expense	155,972	6,492
SCIB Properties Sdn. Bhd.		
- Management fees	(327,564)	(1,318,277)
- Interest income	(1,038,871)	(916,468)
SCIB Holdings Sdn. Bhd.		
- Management fees	(45,778)	(53,624)
- Interest income	(31,144)	(27,913)
SCIB Industrialised Building System Sdn. Bhd.		
- Management fees	(1,109,450)	(722,079)
- Interest expense	916	-
- Interest income	(519,856)	(410,534)
SCIB Infracore Sdn. Bhd.		
- Management fees	(45,778)	(53,624)
- Interest income	(81,037)	(56,891)
SCIB Sasoakai JV Sdn. Bhd. (formerly known as SCIB Industrialised Building System dan Sasoakai Resources JV Sdn. Bhd.)		
- Interest income	(5,756)	-
SCIB Trading Sdn. Bhd.		
- Interest income	(30)	-
- Interest expense	283	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

39. RELATED PARTIES (cont'd)

Significant related party transactions (cont'd)

a) Related party transactions : - (cont'd)

	Company	
	2024	2023
	RM	RM
Transaction with subsidiary companies:- (cont'd)		
SCIB LW System Sdn. Bhd.		
- Management fees	(45,778)	(74,453)
- Interest income	(11,504)	(176)
SCIB Building Solutions Sdn. Bhd.		
- Management fees	(45,778)	(74,453)
- Interest income	(3,168)	(653)
- Lease expense	132,000	33,000
SCIB International (Labuan) Ltd.		
- Management fees	(45,778)	(53,624)
- Interest income	(397,702)	(848,272)
	Group	
	2024	2023
	RM	RM
Transaction with an associate company:-		
Edaran Kencana Sdn. Bhd.		
- Consultation fees	-	-
- Purchase of safety personal protective equipment	25,870	4,115
- Purchase of signage	-	10,600
- Sub-contractor charges	-	57,128
- Transport charges	-	900
Transaction with a related party:-		
Transnational Insurance Brokers (M) Sdn. Bhd.		
- Insurance premium	238,037	605,547

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

39. RELATED PARTIES (cont'd)

Significant related party transactions (cont'd)

a) Related party transactions : - (cont'd)

	Company	
	2024	2023
	RM	RM
Transnational Insurance Brokers (M) Sdn. Bhd.		
- Insurance premium	32,238	84,858
	Group	
	2024	2023
	RM	RM
Transaction with a director:-		
Chiew Jong Wei		
- Sale of motor vehicle	(35,000)	-

b) Key management personnel compensation

The key management personnel of the Group and the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows : -

i) Directors

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Directors of the Company</u>				
Short-term employee benefits				
- fees	95,530	321,377	95,530	321,377
- salaries, bonuses and other benefits	944,779	1,207,709	944,779	1,207,709
- Employees Provident Fund	119,851	132,204	119,851	132,204
- Employment Insurance System	237	213	237	213
- Social security cost	2,080	1,871	2,080	1,871
	1,162,477	1,663,374	1,162,477	1,663,374

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

39. RELATED PARTIES (cont'd)

Significant related party transactions (cont'd)

b) Key management personnel compensation (cont'd)

The key management personnel compensation during the financial year are as follows : - (cont'd)

i) Directors (cont'd)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Directors of the subsidiary companies</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	373,946	459,411	-	-
- Employees Provident Fund	43,680	53,392	-	-
- Employment Insurance System	119	190	-	-
- Social security cost	1,040	1,663	-	-
	418,785	514,656	-	-
Total directors' remuneration (Note 28)	1,581,262	2,178,030	1,162,477	1,663,374
Estimated monetary value of benefits-in-kind	45,358	8,800	36,558	8,800

Save from the above, no other director has received or become entitled to receive any benefit from the Group.

ii) Key management personnel

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Short-term employee benefits				
- salaries, bonuses and other benefits	440,290	1,236,368	218,646	985,968
- Employees Provident Fund	52,305	144,195	25,701	114,747
- Employment Insurance System	228	459	109	344
- Social security cost	1,993	4,086	953	3,082
Total compensation for key management personnel	494,816	1,385,108	245,409	1,104,141
Estimated monetary value of benefits-in-kind	8,800	17,600	8,067	17,600

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

40. MATERIAL LITIGATION

(a) **Kabaz Sdn. Bhd vs Sarawak Consolidated Industries Berhad – Sepang Sessions Court (Suit No. BK-B52-5-05/2023)**

On 26 May 2023, Kabaz Sdn. Bhd. filed in Sepang Sessions Court Suit No. BK-B52-5-05/2023 against the Company for the outstanding rental sum of RM320,000.

On 14 July 2023, the Company counterclaimed against Kabaz Sdn. Bhd. in the same suit for the return of the Earnest Deposit Sum of RM450,000.

The Defendant filed Reply to Defence & Defence to Counterclaim on 3 August 2023. The Company filed Reply to Defence to Counterclaim on 25 August 2023.

The pleading was closed on 25 August 2023. The Court has directed the parties to go for mediation. The mediation session is scheduled on 6 November 2023 at Shah Alam Mediation Centre.

Both Parties however, did not agree to a settlement during the mediation session. The Company filed a Determination Application on 23 January 2024 wherein, the Court has made a decision on 2 August 2024 and ordered that the Company has succeeded in their Counterclaim together with Kabaz's claim.

Nonetheless, Kabaz has filed an appeal to the said decision on 16 August 2024 and Parties are currently waiting for the next date to be fixed by the Court for the appeal.

(b) **Kencana Healthcare Sdn. Bhd. (“Kencana Healthcare”) vs Sarawak Consolidated Industries Berhad – Shah Alam High Court (Suit No. BA-22NCvC-221-06/2023)**

On 9 June 2023, the Company filed in Shah Alam High Court Suit No. BA-22NCvC-221-06/2023 against Kencana Healthcare for the return of the commitment fee of RM1,650,000 which was paid by SCIB Properties Sdn. Bhd., a wholly owned subsidiary company of the Company, to Kencana Healthcare pursuant to a Letter of Award dated 13 August 2021.

On 25 July 2023, Kencana Healthcare counterclaimed against the Company in the same suit for, amongst other, the alleged outstanding commitment fee of RM3,350,000. Kencana Healthcare alleged that SCIB has to pay the balance commitment fee in the sum of RM3,350,000 to them.

The Company had pleaded in their Defence to Counterclaim that there is no obligation on part of the Company to pay the balance commitment fee of RM3,350,000 and neither is Kencana Healthcare entitled to retain the said RM1,650,000 paid to them by the Company since the parties had agreed that the RM1,650,000 is to be returned to the Company following the mutual withdrawal of the Letter of Award.

On 29 August 2023, the Company filed Reply to Defence and Defence to Counterclaim. Kencana Healthcare is to obtain the Court's direction on the filing of Reply to Defence to Counterclaim in the coming case management scheduled on 18 October 2023.

The Company proceeded to file a Determination Application on 30 January 2024 and the hearing for the same was fixed by the Court on 18 September 2024. The Court decided that the matter cannot be resolved by way of a Determination Application and that a trial is necessary. The Court instructed the Parties to file the Common Bundle of Documents by 13 November 2024 in preparation for trial and fixed 29 November 2024 for a case management to update the Court of the same. Additionally, Kencana Healthcare has also withdrawn their Counterclaim.

Concurrently, both Parties are in the midst of negotiating a settlement of the outstanding debt.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

40. MATERIAL LITIGATION (cont'd)

(c) **NCX Capital Berhad (“NCX”) vs Sarawak Consolidated Industries Berhad – Sessions Court of Shah Alam Case No. BA-B52NCVC-103-06/2023**

On 28 June 2023, the Company filed Writ of Summons and Statement of Claim against NCX Capital Berhad (“NCX”).

The Company had appointed NCX as a tender services consultant for projects namely *Kerja-kerja Naiktaraf Jalan Rancangan Suan Lembah Peringkat 2 Kinabatangan Sabah* and *Projek Menaik Taraf Jalan Pantu/ Keranggas/Jalan Engkeranji Pantu Bahagian Sri Aman Sarawak*. According to terms of the appointment, the Company was to pay an engagement fee amounting to RM200,000 for each project respectively to NCX.

Nevertheless, after a series of payments made, NCX had failed to enter tender for both projects. The Company also believes that NCX had fraudulently misrepresented their ability to obtain both projects.

Hence, the Company is claiming for a declaration of the appointment to be void and the total sum of RM400,000 being the total payment of engagement fee for both projects is to be returned to the Company.

Writ of Summons and Statement of Claim dated 28 June 2023 were served to NCX on 4 July 2023. However, until to date NCX has yet to enter an appearance.

The case management had been fixed on 1 September 2023. The case management was postponed to 13 September 2023 wherein the Company had been given approval from the Court to file the Certificate of Non-Appearance and Draft Judgment in Default (JID) since the Defendant had failed to enter any appearance and the Court had given a short date for the next case management on 27 September 2023 to record the JID which was then obtained on 31 October 2023.

The Company proceeded to file a Garnishee Proceeding against NCX on 15 March 2024 wherein, on the hearing which was fixed on 24 April 2024, the Company has successfully garnished an amount of RM8,246.38.

The Company has since decided to discontinue litigation against NCX, deeming further legal action impractical and unfeasible.

(d) **Bismark Capital Sdn. Bhd. (“Bismark Capital”) vs SCIB Properties Sdn. Bhd. – Sessions Court of Kuala Lumpur Case No. WA-B52NCVC-276-06/2023**

On 28 June 2023, the Company filed Writ of Summons and Statement of Claim against Bismark Capital.

By way of a Letter of Award (“LOA”) dated 1 March 2022, the Company was awarded a project namely “Project of Engineering Services for Maxis Installations and Fixed Monopole New Site Project Penisular Malaysia 300 units of Monopoles for Phase 1 – 50 poles” from Bismark Capital. According to the terms of LOA, SCIB Properties Sdn. Bhd., a wholly owned subsidiary company of the Company, was required to pay a Security Deposit of RM350,000 to Bismark Capital and the payment was duly made on 29 April 2022.

However, by way of Cancellation Letter dated 22 June 2022, Bismark Capital informed that the project was discontinued due to an internal problem by Maxis and the security deposit will be returned to the Company within 30 days from the date of the Cancellation letter.

Until the filing of this action, the Company has yet to receive the security deposit from Bismark Capital. Therefore, the Company initiates this action to claim for the security deposit of RM350,000.

Writ of Summons and Statement of Claim dated 28 June 2023 were served to Bismark Capital on 4 July 2023 to Bismark Capital. However, NCX has failed to enter an appearance.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

40. MATERIAL LITIGATION (cont'd)

(d) **Bismark Capital Sdn. Bhd. (“Bismark Capital”) vs SCIB Properties Sdn. Bhd. – Sessions Court of Kuala Lumpur Case No. WA-B52NCVC-276-06/2023** (cont'd)

Thereafter, the Company filed the Certificate of Non-Appearance and a draft Judgement in Default of Appearance. The Court granted Judgement In Default (“JID”) of appearance against Bismark Capital via case management on 23 August 2023. Currently, the case is pending filing of fair JID.

The JID against Bismark Capital was recorded on 21 August 2023 and we received the Sealed JID from Court on 23 August 2023.

The Sealed JID was served to the Defendant on the 30 August 2023 and it was duly received as per the Acknowledgement Receipt for the service letter dated 29.08.2023.

The Company proceeded to file a Garnishee Proceeding against Bismark Capital on 29 December 2023. However, the same was withdrawn on 9 February 2024 due to the fact that the Garnishees, Maybank Banking Berhad and Maybank Islamic Berhad stated that Bismark Capital does not maintain any deposit account with the Garnishees.

Pursuant to this, the Company filed a Winding Up Petition against Bismark Capital, bearing Case No. BA-28NCC-186-03/2024 on 26 March 2024. Bismark Capital subsequently appointed a lawyer to oppose the winding-up petition. At present, both Parties are in the midst of negotiating a settlement of the outstanding debt. The Court has fixed a case management on 24 October 2024 to update the Court on the settlement.

(e) **Dynamic Prestige Consultancy Sdn. Bhd. (“Dynamic Prestige”) vs Sarawak Consolidated Industries Berhad – Shah Alam High Court Civil Suit No. BA-22NCC-83-07/2023**

On 6 July 2023, the Company (“the Plaintiff”) filed in Shah Alam High Court (Civil Suit No. BA-22NCC-83-07/2023) against Dynamic Prestige (“Defendant”) for :-

- i) Writ and Statement of Claim to, among others, claim for the payment or refund of the sum of RM14,000,000 pursuant to the Defendant’s undertaking that it would return the sum of RM14,000,000 paid by the Company to the Dynamic Prestige in the event the Company decides not to proceed with the Redeemable Convertible Preference Shares scheme offered by Dynamic Prestige (“Main Suit”).
- ii) Ex-parte Notice of Application for an injunction to prevent the Defendant from dissipating its assets pending the hearing and disposal of the Main Suit. (“Injunction Application”)

On 1 August 2023, the High Court granted an ad-interim injunction to the Company and directed the parties file their respective cause papers and pleadings.

An application for recusal (“Recusal Application”) was filed on 7 September 2023 against the solicitors for the Defendant.

The High Court has fixed 1 November 2023 for the case management of the Main Suit and the hearing for the Injunction Application, Refusal Application, and Expunge Application on 16 January 2024 which was then extended to 30 January 2024.

On 30 January 2024, the High Court held that the Injunction Application was granted and the order previously granted will remain in effect until the Main Suit is resolved.

On 29 February 2024, the High Court has instructed both parties to file pre-trial documents and Witness Statement on 11 June 2025 and 21 July 2025, respectively. The next case management is fixed on 28 July 2025 and the trial for the main suit is scheduled from 11 August 2025 until 15 August 2025.

On 5 June 2024, the Court has fixed the hearing for an appeal application by the Defendant on the Injunction Order before the Court of Appeal on 14 January 2024. A case management is also fixed on 6th January 2025.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

41. SIGNIFICANT EVENTS

(i) Settlement agreement and termination of contract in relation to Muallim Project

On 6 July 2023, the Company and its wholly owned subsidiary company, SCIB Properties Sdn. Bhd. ("SCIBP") entered into a settlement agreement with Awana JV Suria Saga Sdn. Bhd. ("Client") who is also the project owner of the abovementioned project that has been awarded to the Group on 7 May 2021, to mutually terminate the Contract and confirm the obligation on the full and final settlement of debts and establish the term and payment schedule for the amount due between the parties after taking into consideration of protecting the Group's interests in mitigating the risks arising from the non-movement of project progress.

The key salient terms of the said agreements included that the said parties acknowledged and confirmed their obligations on the settlement of the debt of RM18,715,250 only ("Debt") and it shall assume the sole obligation and responsibility to reimburse the Debt to SCIBP in accordance with Schedule A in the said agreement.

The first payment which amounted to RM75,000 has been received by SCIBP on 21 August 2023.

Subsequently, on 15 April 2024, SCIBP entered into a Settlement cum Appointment of Contractor Agreement ("Further Agreement") with their client for the purposes of the followings:-

- a) appointing SCIBP as the sole main contractor for construction of the abovementioned project; and
- b) providing their client an opportunity to repay the outstanding amount of RM19,132,682 ("Total Indebtedness") owing to SCIBP. The amount includes a balance of RM18,640,250 and an additional sum of RM492,432 previously advanced on behalf of the client by SCIB Industrialised Building System Sdn. Bhd. ("SIBS"), a related company of SCIBP ("Subsequent Indebtedness").

The Client had also registered a Power of Attorney dated 15 April 2024 in favour of SCIBP to among others, to do and perform all or any of the acts and things on behalf of AWANA. A Letter of Award ("LOA") dated 25 July 2024 was awarded to SCIBP as the exclusive Main Contractor for the Muallim Project by AWANA.

(ii) Proposed acquisition of five (5) plots of land

On 4 January 2024, the Company received an offer from Jabatan Tanah dan Survei, Bahagian Kuching (also referred to as "the Land and Survey Department of Sarawak") for the acquisition of five (5) plots of land known as Lot 787, 788, 789, 790 and 791, Block 4, Muara Tebas Land District (Plot 11, 12, 13, 14 and 15) at Taman Perindustrian Demak Laut Phase IIb (Stage 2), Kuching, Sarawak, each with a tenure of 60 years with a total area of approximately 8.8544 ha (about 21.879 acres), for a total purchase consideration of RM21.62 million.

The Company had on 26 January 2024 accepted the offer from the Land and Survey Department of Sarawak for the land acquisition, subject to terms and condition as stipulated on the Letter of Offer. The remaining purchase consideration for the land acquisition shall be paid in yearly instalments up to the calendar year 2028.

On 26 January 2024, the Company had made the first payment of RM5,684,524 to the State Government.

The proposed land acquisition shall be completed in stages.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024
(CONT'D)

41. SIGNIFICANT EVENTS *(cont'd)*

(iii) Long term incentive plan

The company has proposed to establish and implement a long term incentive plan for the eligible directors and employees of SCIB and its non-dormant subsidiary companies which will be in force for a period of 5 years ("Proposed LTIP"). The maximum number of new SCIB ordinary share which may be made available under the Proposed LTIP shall not exceed 15.0% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the Proposed LTIP. The Proposed LTIP comprises of a share grant plan ("Proposed SGP") and a share option plan ("Proposed SOP"). The Proposed LTIP was approved by the shareholders at Extraordinary General Meeting on 27 March 2024.

The effective date for the implementation of the Proposed LTIP was 24 July 2024. As of the financial year ended 30 June 2024, the Company has not awarded/granted any shares or option under the LTIP.

42. SUBSEQUENT EVENTS

(i) Settlement cum Appointment of Contractor Agreement ("Further Agreement") and acceptance of a Letter of Award ("LOA") from AWANA JV SURIA SAGA SDN. BHD. ("AWANA")

On 25 July 2024, the wholly owned subsidiary company, SCIB Properties Sdn. Bhd. ("SCIBP") accepted a LOA from AWANA for securing an EPCC contract subject to the terms and conditions stipulated in the LOA ("Contract"). On the same date, the Company has been appointed as the Corporate Guarantor in favour of MBSB Bank Berhad for the loan facilities granted to AWANA to facilitate the completion of the project as per the Contract.

(ii) Acquisition of land

On 18 September 2024, the wholly owned subsidiary company, SCIB Properties Sdn. Bhd. ("SCIBP"), had entered into a sale and purchase agreement with Ginteck Sdn. Bhd. to acquire all that parcel of land and appurtenances thereof situated at Bintulu Sibiu Road, Bintulu containing an area of approximately 2.49 hectares described as Lot 1673 Block 32 Kemena Land District for a cash consideration of RM9.23 million.

The land acquisition is expected to contribute positively to all business segments of the Group, i.e. Property Trading, Manufacturing and Engineering, Procurement, Construction and Commissioning segments, through collaboration with developers to jointly develop and construct residential housing projects by leveraging on the Group's products and construction expertise.

As at the date of this report, the land acquisition is yet to be completed. Barring any unforeseen circumstances, the land acquisition is expected to be completed by the end of calendar year 2024.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, Ku Chong Hong and Chiew Jong Wei, being two of the directors of Sarawak Consolidated Industries Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements set out on pages 147 to 232 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 June 2024 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date.

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

Ku Chong Hong

Kuala Lumpur,
Date : 14 October 2024

Chiew Jong Wei

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Chiew Jong Wei, MIA No. 38656, being the director primarily responsible for the financial management of Sarawak Consolidated Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 147 to 232, to the best of my knowledge and belief, are correct.

And, I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovementioned
at Kuching in the State of Sarawak
on this 14 October 2024

Chiew Jong Wei

Before me

Phang Dah Nan
Commissioner For Oaths
No.55, 1st Floor,
Jalan Chan Bee Kiew,
Off Jalan Padungan,
93100 Kuching, Sarawak



6

**ADDITIONAL
INFORMATION**

LIST OF PROPERTIES

Properties held by the Group as at 30 June 2024

Properties acquired by the Group						
Tenure	Description/ Location	Approximate Area	Age of Building (Years)	Existing Use	Net Book Value @ 30.06.2024 (RM'000)	Date of Acquisition
60 years leasehold land expiring year 2053	Leasehold land at Lot No. 830, Block No. 7, Sejingkat Industrial Park, Kuching, Sarawak	27,930 sq m (6.9 acres)	17	Factory Building & Office Premises	16,401	22 November 2019
Freehold	Freehold land at Lot No. 16024, Jalan Nilam 4, Kawasan Perindustrian Nilai Utama, 71800 Nilai, Negeri Sembilan Darul Khusus	10,035 sq m (2.48 acres)	5	Office premises	7,978	10 December 2021
60 years leasehold expiring 2064	Leasehold land at Lot No. 1166, Block No. 8, Muara Tebas Land District, Kuching, Sarawak	40,470 sq m (10 acres)	18	Factory Building & Office Premises	33,481	24 August 2004
60 years leasehold expiring 2069	Leasehold land at Lot No. 2351, Jalan Utama, 93450 Kuching, Sarawak (Amalgamation of land at lot 1167 and land at lot 1258, Jalan Utama, 93450 Kuching, Sarawak)	44,760 sq m (11 acres)	44	Factory Building & Office Premises	30,949	12 May 1975 (Land lot 1258) 1 March 1995 (Land lot 1167) 14 January 2009 (Land lot 2351, Amalgamated Land lot 1258 and Land lot 1167)
60 years leasehold expiring 2070	Leasehold land at Lot No. 1541, Block No. 8, Muara Tebas Land District, Kuching, Sarawak	12,500 sq m (3 acres)	11	Factory Building & Inventory Storage	6,432	26 July 2010
Yet to be determined *	Shophouse at Sublot 13, Lot 4871, Block 18, Salak Land District	564 sq m (0.139 acres)	8	Commercial Building	1,233	29 April 2014
Yet to be determined *	Shophouse at Sublot 24, Lot 4871, Block 18, Salak Land District	459 sq m (0.113 acres)	8	Commercial Building	1,002	22 January 2019
60 years leasehold expiring 2084	Leasehold land at Lot No. 787, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	18,506 sq m (4.57 acres)	N/A	Industrial Land	4,494	13 March 2024

LIST OF PROPERTIES

Properties held by the Group as at 30 June 2024

(CONT'D)

Properties acquired by the Group						
Tenure	Description/ Location	Approximate Area	Age of Building (Years)	Existing Use	Net Book Value @ 30.06.2024 (RM'000)	Date of Acquisition
60 years leasehold expiring 2084	Leasehold land at Lot No. 788, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	19,820 sq m (4.9 acres)	N/A	Industrial Land	4,813	13 March 2024
60 years leasehold expiring 2084	Leasehold land at Lot No. 789, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	16,011 sq m (3.96 acres)	N/A	Industrial Land	3,888	13 March 2024
60 years leasehold expiring 2084	Leasehold land at Lot No. 790, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	16,847 sq m (4.16 acres)	N/A	Industrial Land	4,091	13 March 2024
60 years leasehold expiring 2084	Leasehold land at Lot No. 791, Block No. 4, Muara Tebas Land District, Kuching, Sarawak	17,360 sq m (4.29 acres)	N/A	Industrial Land	4,216	13 March 2024

Remarks:

- * The Sales & Purchase Agreements were concluded in respect to the acquisition of the properties by the subsidiary of SCIB with the Vendor; and the individual land titles of the said properties are yet to be issued by the Land Office.

ANALYSIS OF SHAREHOLDINGS

As at 3 October 2024

SHARE CAPITAL

Number of Ordinary Shares	:	658,737,630
Share Capital	:	RM178,092,285
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS AS OF 3 OCTOBER 2024

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 to 99	257	1.45	4,222	0.00
100 to 1,000	2,744	15.43	1,641,165	0.25
1,001 to 10,000	7,834	44.05	41,839,571	6.35
10,001 to 100,000	5,972	33.58	207,435,915	31.49
100,001 to 32,936,881 (*)	976	5.49	407,816,757	61.91
32,936,882 AND ABOVE (**)	0	0	0	0.00
TOTAL	17,783	100.00	658,737,630	100.00

Remarks : * - Less than 5% of Issued Holdings

** - 5% and above of Issued Holdings

INFORMATION OF SUBSTANTIAL SHAREHOLDERS AS OF 3 OCTOBER 2024 (As Per SCIB's Register Books)

NAME	DIRECT HOLDINGS	%	INDIRECT HOLDINGS	%
Nil	Nil	Nil	Nil	Nil

INFORMATION ON DIRECTORS' HOLDINGS AS OF 3 OCTOBER 2024 (As Per SCIB's Register Books)

NAME	DIRECT HOLDINGS	%	INDIRECT HOLDINGS	%
YBhg. Dato' Sri Zaini Bin Jass	0	0	0	0
Mr Ku Chong Hong	1,356,000	0.21	0	0
Mr. Chiew Jong Wei	0	0	0	0
Sr. Mohd Nazri Bin Mat Noor	0	0	0	0
YBhg. Dato' Tan Bok Koon	3,229,000	0.49	0	0
Mr. Liaw Way Gian	0	0	0	0
Mr. Kang Wei Luen	0	0	0	0
Dr. Dang Nguk Ling	0	0	0	0
Mr. Yak Boon Tiong	0	0	0	0

ANALYSIS OF SHAREHOLDINGS

As at 3 October 2024

(CONT'D)

LIST OF TOP 30 HOLDERS AS OF 3 OCTOBER 2024

No	Name	Holdings	%
1.	Huang Tiong Sii	11,936,700	1.81
2.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lim Hau Yang</i>	10,105,345	1.53
3.	Tu Ching Ping	7,000,000	1.06
4.	TASEC Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For TA Investment Management Berhad</i>	6,173,500	0.94
5.	Wong Siik Wei	6,100,000	0.93
6.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Won Wei Zhang</i>	5,500,000	0.83
7.	BIMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Chee Hoon</i>	5,122,000	0.78
8.	AFFIN Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Roy Soon</i>	5,000,000	0.76
9.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Teng Chi Lik</i>	4,500,000	0.68
10.	Li Yuk Bing	4,200,000	0.64
11.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Exempt An For Barclays Capital Securities LTD</i>	3,733,400	0.57
12.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Chin Chin Seong</i>	3,500,000	0.53
13.	Yii Ming Sung	3,155,100	0.48
14.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For CIMB Investment Bank Berhad</i>	3,115,600	0.47
15.	Yeoh Guan Fook	3,100,000	0.47
16.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Chee Hoon</i>	3,018,800	0.46
17.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB For Muralitharan A/L P.Subramaniam</i>	3,000,000	0.46
18.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Hwa Sing</i>	2,875,000	0.44
19.	Ong Sow Hong	2,800,000	0.43
20.	Universal Trustee (Malaysia) Berhad <i>TA Dynamic Absolute Mandate</i>	2,663,000	0.40
21.	Tay Hock Soon	2,619,100	0.40
22.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Dato' Tan Bok Koon</i>	2,600,000	0.39
23.	Cheng Lee Kui	2,540,000	0.39
24.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Questriplex Solution Sdn. Bhd.</i>	2,525,500	0.38
25.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For UOB Kay Hian PTE LTD</i>	2,392,500	0.36
26.	Mohd Ekkrum Bin Razali	2,350,000	0.36
27.	Jacqueline Ngu Hia Kee	2,300,000	0.35
28.	Ting Sie Huoong	2,200,000	0.33
29.	CitiGroup Nominees (Asing) Sdn. Bhd. <i>UBS AG</i>	2,106,800	0.32
30.	Kong Foi Ha @ Kong Poi Har	2,068,000	0.31
	Total	120,300,345	18.26

NOTICE OF ANNUAL GENERAL MEETING



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No.: 197501003884 (25583-W)
(Incorporated in Malaysia)

NOTICE OF FORTY-EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Eighth (“48th”) Annual General Meeting (“AGM”) of Sarawak Consolidated Industries Berhad (“SCIB” or “the Company”) will be conducted on a virtual basis at the Broadcast Venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan through live streaming and online remote voting via Remote Participation and Voting (“RPV”) facilities at <https://scib-agm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn. Bhd. in Malaysia on Thursday, 19 December 2024 at 2:00 p.m. for the following purposes:

AGENDA

ORDINARY BUSINESS

- | | |
|---|---|
| (1) To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors’ and Auditors’ thereon. | Please refer to Explanatory Note (i) |
| (2) To approve the payment of the Directors’ Fees of an amount up to RM600,000.00 from 19 December 2024 until the next AGM of the Company to be held in the year 2025; | Ordinary Resolution 1 |
| (3) To approve the payment of the Directors’ Benefits of an amount up to RM100,000.00 from 19 December 2024 until the next AGM of the Company to be held in the year 2025; | Ordinary Resolution 2 |
| (4) To re-elect the following Directors retiring in accordance with Article 122(1) of the Company’s Constitution and being eligible, have offered themselves for re-election: | |
| (i) Mr. Ku Chong Hong | Ordinary Resolution 3 |
| (ii) Dr. Dang Nguk Ling | Ordinary Resolution 4 |
| (5) To re-elect the following Directors retiring in accordance with Article 127 of the Company’s Constitution and being eligible, have offered themselves for re-election: | |
| (i) YBhg. Dato’ Sri Zaini Bin Jass | Ordinary Resolution 5 |
| (ii) YBhg. Dato’ Tan Bok Koon | Ordinary Resolution 6 |
| (iii) Mr. Yak Boon Tiong | Ordinary Resolution 7 |
| (iv) Mr. Chiew Jong Wei | Ordinary Resolution 8 |
| (6) To re-appoint Messrs. Kreston John & Gan as the Auditors of the Company to hold office until the conclusion of the next AGM and to authorize the Directors to fix their remuneration. | Ordinary Resolution 9 |

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

SPECIAL BUSINESSES

To consider and, if thought fit, pass the following resolution:

(7) **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and subject always to the approval of the relevant regulatory authorities (if any), the Directors be and are hereby empowered to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution, when aggregated with the total number of such shares issued during the preceding 12 months, does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being **AND THAT** the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND FURTHER THAT** such authority shall continue in force until the conclusion of the next annual general meeting of the Company.

Ordinary Resolution 10

AND THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Article 8 of the Constitution of SCIB, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders of SCIB and empower the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Companies Act, 2016 without offering to the existing shareholders to maintain their relative voting and distribution right and such new ordinary shares shall rank pari passu in all respects with the existing ordinary shares.”

(8) To transact any other business for which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act, 2016.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)
THIEN LEE MEE (LS0010621) (SSM PC No. 201908002254)
Company Secretaries

Dated: 30 October 2024

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Notes:

i) **Item 1 of the Agenda – Audited Financial Statements**

The Audited Financial Statements are meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

ii) **Ordinary Resolutions 1 and 2– Payment of Directors’ Fees and Benefits**

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the Directors of public company or a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Directors’ benefits payable comprise of meeting attendance allowances and other claimable benefits.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

The Remuneration and Nomination Committee and the Board had reviewed and recommending the matter relating to the payment of Directors’ Fees and Benefits. The Directors had abstained from deliberations and decisions on their respective re-election at the Remuneration and Nomination Committee and Board meetings.

Payment of the Directors’ fees and benefits payable will be made by the Company on a monthly basis and/or as and when incurred if the proposed Resolutions 1 and 2 are passed at the AGM of the Company. The Board is of the view that the payments thereof are just and equitable, as the Directors standing as of the date of this notice have diligently discharged their responsibilities and rendered their services to the Company throughout the relevant period.

Hence, the Proposed Ordinary Resolutions 1 and 2 are to facilitate the payment of Directors’ Fees and Benefits to the Directors from 19 December 2024 until the next AGM of the Company to be held in the year 2025 in accordance with Section 230(1) of the Companies Act 2016.

iii) **Ordinary Resolutions 3 to 8 – Re-election of Directors**

The Remuneration and Nomination Committee had assessed the performance and contribution of each of the retiring Directors seeking re-election and was satisfied therewith. The Board had endorsed the Remuneration and Nomination Committee’s recommendation to seek shareholders’ approval for the re-election of the retiring Directors at the forthcoming 48th AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Remuneration and Nomination Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming 48th AGM are provided in the Company’s Annual Report 2024.

iv) **Ordinary Resolution 9 – Re-appointment of Auditors**

The Audit Committee and the Board had considered the re-appointment of Messrs. Kreston John & Gan as Auditors of the Company. The Audit Committee and the Board collectively agreed and are satisfied that Messrs. Kreston John & Gan meets the relevant criteria prescribed in Paragraph 15.21 of the MMLR of Bursa Securities. Accordingly, the Board is recommending to shareholders for approval the re-appointment of Messrs Kreston John & Gan for the ensuing year. Messrs Kreston John & Gan have expressed their willingness to continue in office.

v) **Ordinary Resolution 10 – Authority To Issue And Allot Shares Pursuant To Sections 75 And 76 Of The Companies Act 2016 And Waiver of Pre-Emptive Rights**

The proposed Ordinary Resolution 10, if passed, will empower the Directors to issue and allot shares up to an aggregate amount not exceeding 10% of the total number of issued shares of the Company for the time being, for such purposes as the Board of Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company (“**General Mandate**”).

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

The purpose of the General Mandate is to provide flexibility to the Company to issue new shares and/or to carry out fund raising exercises including but not limited to further placement of shares in financing current and/or future investment projects, working capital and/or acquisitions, without the need to convene a separate general meeting(s) which will incur additional time and cost to obtain its shareholders' approval.

This General Mandate is a renewal of the mandate that was approved by the shareholders at the Company's 47th Annual General Meeting ("47th AGM") held on 11 December 2023. As at the date of this notice, the Company has not issued any new shares pursuant to the mandate obtained at the 47th AGM. However, the Company had on 28 October 2024 announced to Bursa Securities its proposal to undertake a private placement of up to 10% of the total number of issued shares of SCIB (excluding treasury shares) in accordance with the previous general mandate under Sections 75 and 76 of the Companies Act, 2016 obtained at the 47th AGM or a new General Mandate to be obtained at the 48th AGM. As at the date of this notice, the Company is pending Bursa Securities' decision on the additional listing application submitted on 29 October 2024.

Notes:

- (1) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which stipulates that the Chairman of the meeting shall be present at the main venue of the AGM and in accordance with Article 82 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to speak and vote at the general meeting. Members, proxies and/or corporate representatives **WILL NOT BE ALLOWED** to be physically present nor admitted at the Broadcast Venue on the day of the 48th AGM.*
- (2) *Members are to attend, posing questions to the Board via real time submission of typed texts and vote (collectively, "participate") remotely at the 48th AGM via the RPV facilities provided by Digerati Technologies Sdn. Bhd. via its website at <https://scib-agm.digerati.com.my> ("Digerati Portal"). Please read the Administrative Guide for the 48th AGM of the Company for details on the registration process and procedures for RPV to participate remotely at the 48th AGM of the Company.*
- (3) **Appointment of Proxy**
 - (a) *A member of the Company is entitled to attend, participate, posing questions to the Board via real time submission of typed texts and vote and is entitled to appoint not more than two (2) proxies to attend, participate, pose questions to the Board via real time submission of typed texts and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
 - (b) *A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
 - (c) *Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
 - (d) *Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.*
 - (e) *A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.*
 - (f) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*
 - (g) *The appointment of a proxy may be made in a physical copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof at which the person named in the appointment proposes to vote:*
 - (i) *In physical copy form*
In the case of an appointment made in physical copy form, the original proxy form must be deposited to Aldpro Corporate Services Sdn Bhd.'s office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.
 - (ii) *By electronic form*
The proxy form can be electronically lodged via the Digerati Portal at <https://scib-agm.digerati.com.my>. Please follow the procedure for the electronic lodgement of proxy form as set out in the Administrative Guide for the 48th AGM.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

- (h) *For the purpose of determining a member who shall be entitled to attend and vote at the meeting via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as of 11 December 2024 and only a member whose name appears on the Record of Depositors on that date shall be entitled to attend the meeting via RPV or appoint proxies to attend and vote in his stead.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(i) **Details of persons who are standing for election as Directors (excluding Directors standing for re-election)**

Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Malaysia Securities Berhad, no individual is standing for election as Director of the Company at the 48th AGM of the Company.

(ii) **General Mandate for issue of securities**

The proposed General Mandate for issuing new securities under Ordinary Resolution 10 is a renewal of the previous mandate obtained at the preceding 47th AGM of the Company held on 11 December 2023. Please refer to Explanatory Note (v) of the Notice of 48th AGM for information relating to General Mandate for issue of securities.

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**SARAWAK CONSOLIDATED INDUSTRIES BERHAD**Registration No.: 197501003884 (25583-W)
(Incorporated in Malaysia)

I/We _____ [Full Name in Block Letters]

NRIC No. _____ of _____

_____ [Full Address]

being a member(s) of **SARAWAK CONSOLIDATED INDUSTRIES BERHAD**, hereby appoint

Proxy 1		Proportion of shareholdings to be presented %
Full Name in Block Letters		
NRIC No.		
Full Address		
Tel No.		
Email Address		

and/ or failing him/ her

Proxy 2		Proportion of shareholdings to be presented %
Full Name in Block Letters		
NRIC No.		
Full Address		
Tel No.		
Email Address		
		Total 100%

or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the **48th Annual General Meeting** of the Company to be conducted on a virtual basis at the Broadcast Venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities at <https://scib-agm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn. Bhd. in Malaysia on **Thursday, 19 December 2024 at 2.00 p.m.** and at any adjournment thereof.

My/our proxy is to vote as indicated below:

No.	Resolutions		FOR	AGAINST
1.	To approve the payment of the Directors' Fees of an amount up to RM600,000.00 from 19 December 2024 until the next AGM of the Company to be held in the year 2025;	Ordinary Resolution 1		
2.	To approve the payment of the Directors' Benefits of an amount up to RM100,000.00 from 19 December 2024 until the next AGM of the Company to be held in the year 2025;	Ordinary Resolution 2		
3.	To re-elect Mr. Ku Chong Hong as a Director	Ordinary Resolution 3		
4.	To re-elect Dr. Dang Nguk Ling as a Director	Ordinary Resolution 4		
5.	To re-elect YBhg. Dato' Sri Zaini Bin Jass as a Director	Ordinary Resolution 5		
6.	To re-elect YBhg. Dato' Tan Bok Koon as a Director	Ordinary Resolution 6		
7.	To re-elect Mr. Yak Boon Tiong as a Director	Ordinary Resolution 7		
8.	To re-elect Mr. Chiew Jong Wei as a Director	Ordinary Resolution 8		
9.	To re-appoint Messrs Kreston John & Gan as the Auditors of the Company to hold office until the conclusion of the next AGM and to authorize the Directors to fix their remuneration.	Ordinary Resolution 9		
10.	Authority To Issue and Allot Shares pursuant to Sections 75 And 76 Of The Companies Act 2016 And Waiver Of Pre-Emptive Rights	Ordinary Resolution 10		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

Dated this day of 2024

No. of shares held	CDS Account No.

.....
Signature of Shareholder

Fold This Flap For Sealing

Notes:

- (1) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act, which stipulates that the Chairman of the meeting shall be present at the main venue of the AGM and in accordance with Article 82 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to speak and vote at the general meeting. Members, proxies and/or corporate representatives **WILL NOT BE ALLOWED** to be physically present nor admitted at the Broadcast Venue on the day of the 48th AGM.
- (2) Members are to attend, posing questions to the Board via real time submission of typed texts and vote (collectively, "participate") remotely at the 48th AGM via the RPV facilities provided by Digerati Technologies Sdn. Bhd. via its website at <https://scib-agm.digerati.com.my> ("Digerati Portal"). Please read the Administrative Guide for the 48th AGM of the Company for details on the registration process and procedures for RPV to participate remotely at the 48th AGM of the Company
- (3) **Appointment of Proxy**
 - (a) A member of the Company is entitled to attend, participate, posing questions to the Board via real time submission of typed texts and vote and is entitled to appoint not more than two (2) proxies to attend, participate, posing questions to the Board via real time submission of typed texts) and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
 - (b) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
 - (c) Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
 - (d) Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

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- (e) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.
- (f) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- (g) The appointment of a proxy may be made in a physical copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof at which the person named in the appointment proposes to vote:
 - (i) In physical copy form
In the case of an appointment made in physical copy form, the proxy form must be deposited to Aldpro Corporate Services Sdn Bhd.'s office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan
 - (ii) By electronic form
The proxy form can be electronically lodged via the Digerati Portal at <https://scib-agm.digerati.com.my>. Please follow the procedure for the electronic lodgement of proxy form as set out in the Administrative Guide for the 48th AGM.
- (h) For the purpose of determining a member who shall be entitled to attend and vote at the meeting via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 11 December 2024 and only a member whose name appears on the Record of Depositors on that date shall be entitled to attend the meeting via RPV or appoint proxies to attend and vote in his stead.

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AFFIX
STAMP

The Share Registrar of Sarawak Consolidated Industries Berhad

Aldpro Corporate Services Sdn. Bhd.

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan



**CONTACT
INFORMATION**



CONTACT INFORMATION



CORPORATE OFFICE:

Lot 16024, Jalan Nilam 4
Kawasan Perindustrian Nilai Utama
78000 Nilai, Negeri Sembilan
Tel: +6 06 7943 755



HEADQUARTERS:

Lot 1258, Jalan Utama
Pending Industrial Estate
93450 Kuching, Sarawak
Tel: +60 82 334 485



**SARAWAK
CONSOLIDATED
INDUSTRIES BERHAD**

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