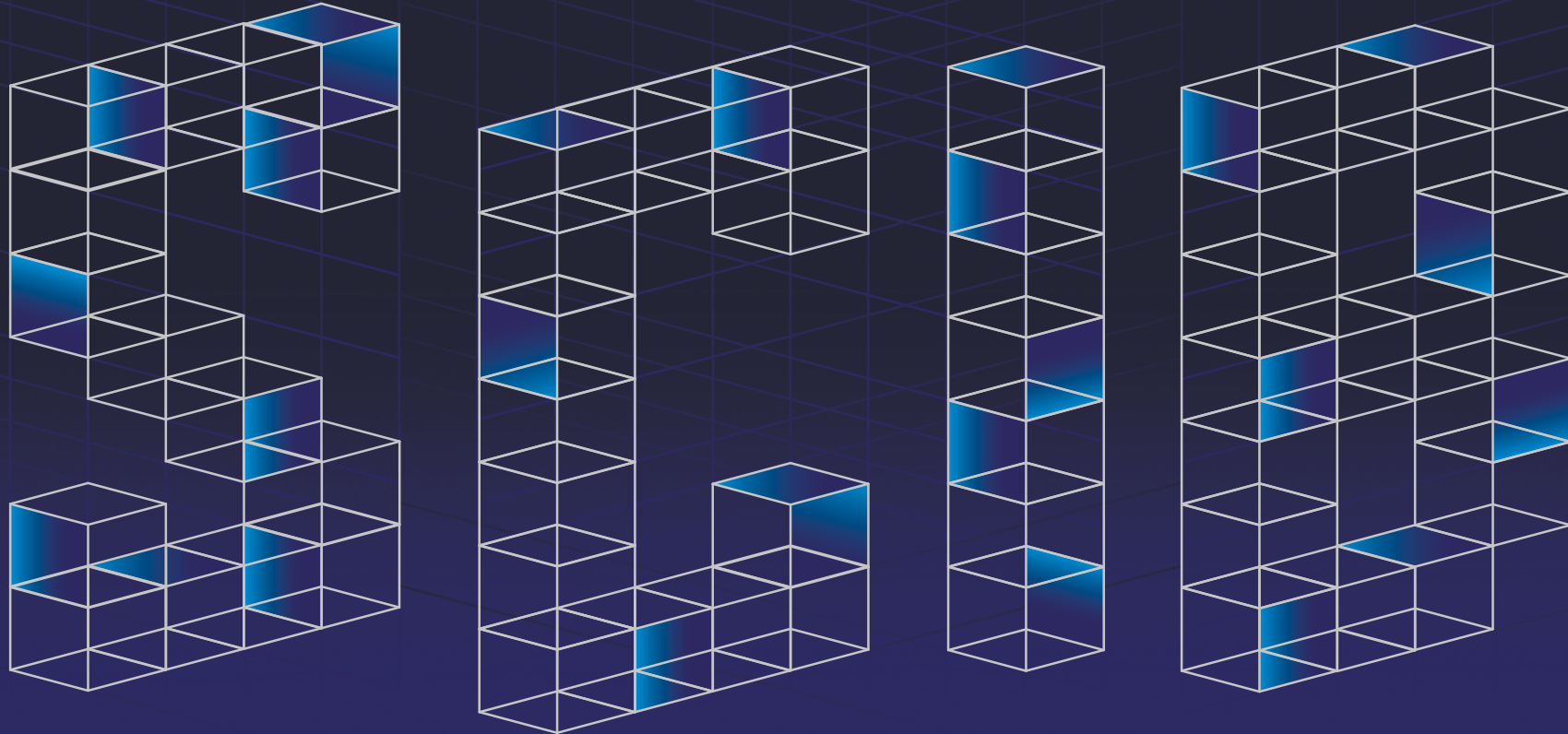




SARAWAK CONSOLIDATED
INDUSTRIES BERHAD

Registration No.
197501003884 (25583-W)

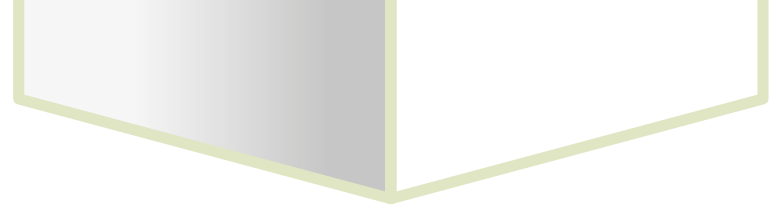
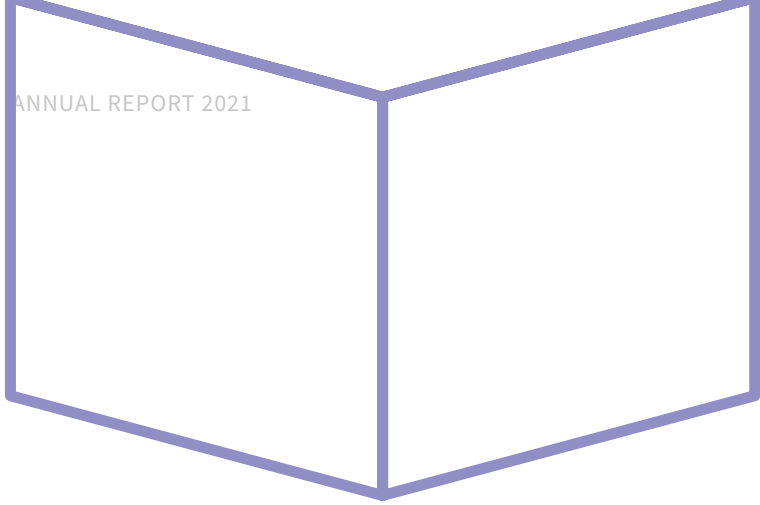


PROGRESSING THROUGH
Diversification & Synergies

ANNUAL REPORT 2021



Progressing Through Diversification & Synergies



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1

OVERVIEW



CEO'S STATEMENT

Diversification brought us forward. Synergies expanded our reach.

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

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

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



1.1.1 CEO'S STATEMENT

2021 in a Glance

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

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

We have agreed on the mutual termination of the contracts after acknowledging that the COVID-19 restrictions have

severely curtailed the availability of manpower as well as the limited travel and affecting management of the projects.

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

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

Being the leading precast concrete and Industrialised Building System ("IBS") manufacturer in East Malaysia, SCIB has been and will continue to support the state-initiated people-centric construction projects with our

three integrated manufacturing factories and wharf facility for shipment across Borneo to supply 500,000 tonnes of building materials annually.

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

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

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

1.1.2 CEO'S STATEMENT

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

2021 Financial Results

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

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

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

In June 2020, SCIB had placed out 36.75 million new shares, or 42.80% of its existing issued share capital,

at an issue price of RM1.82. By the end of 2020, we have completed a three-for-one bonus issue of up to 367.9 million new shares with free warrants for our shareholders.

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

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



1.1.3 CEO'S STATEMENT

Growth and Perseverance

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

This year, SCIB focuses on maintaining good relationships with various networks in the industry that foresees to strengthen the company's position as well as maintain positive associations with several bodies such as Kementerian Kerja Raya Malaysia ("KKR"), Perbadanan Perumahan Rakyat 1 Malaysia ("PR1MA"), Kementerian Perumahan dan Kerajaan Tempatan ("KPKT") as well as Construction Industry Development Board ("CIDB"). We believe preserving well connections with associated bodies including Malaysian National News Agency or

commonly known as BERNAMA will not only enhance a positive image of the company but will also portray good reputation and promising efficiency and effectiveness of our services to potential and existing clients and stakeholders.

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



1.1.4 CEO'S STATEMENT

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

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

conduct a thorough analysis on the project owners, such as credit assessment/ due diligence on them, so that we can trust them to honour the payment milestones for the duration of the projects.

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

Clear Commitment To Sustainability

Sustainability was ingrained in the DNA of SCIB as we are first and foremost, a precast concrete manufacturing company. We manufacture products that mirror

sustainability albeit in a smaller context - durable precast concrete that can sustain its usage and provide other useful benefits.

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

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

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

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



1.1.5 CEO'S STATEMENT

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

Our Business Direction

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

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

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

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

Our acquisition for innovation of technology includes an investment on the first ever 3D printer in Sabah & Sarawak that is targeted to escalate the competence of construction process with lesser cost and time consumption. On top of that, SCIB has also acquired

an innovative artificial intelligence device of AI Pothole Detection System ("AIPODS") that promotes a smooth-sailing process of detecting road damages alongside our concession areas for roadworks maintenance projects.

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

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

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

All in all, we believe that we are ready to grab any

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

Rosland Bin Othman

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

CORPORATE BACKGROUND

Sarawak Consolidated Industries Berhad

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

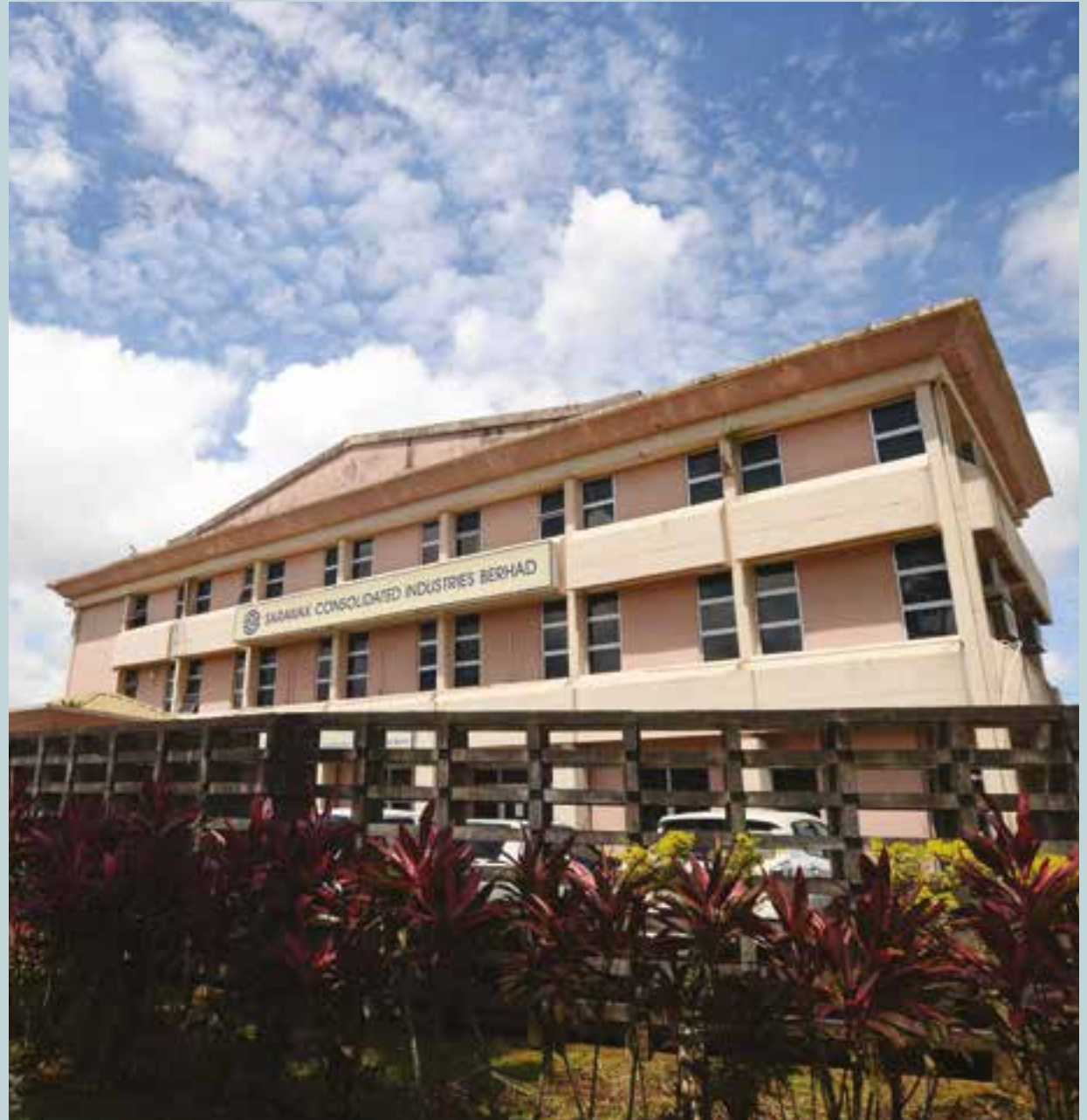


SCIB offers its clients in-depth expertise through a combination of technology, efficiency and speed.



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

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



OUR BUSINESS MODEL



VISION & MISSION

Vision

To be a company founded on excellence.

Mission

We are dedicated to the creation and demonstration of a concept of linked prosperity.

Our mission consists of three (3) interrelated parts;

ECONOMIC MISSION:

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

PRODUCT MISSION:

To make, distribute and sell the finest quality products in innovative and creative way while optimizing the utilization of resources; and

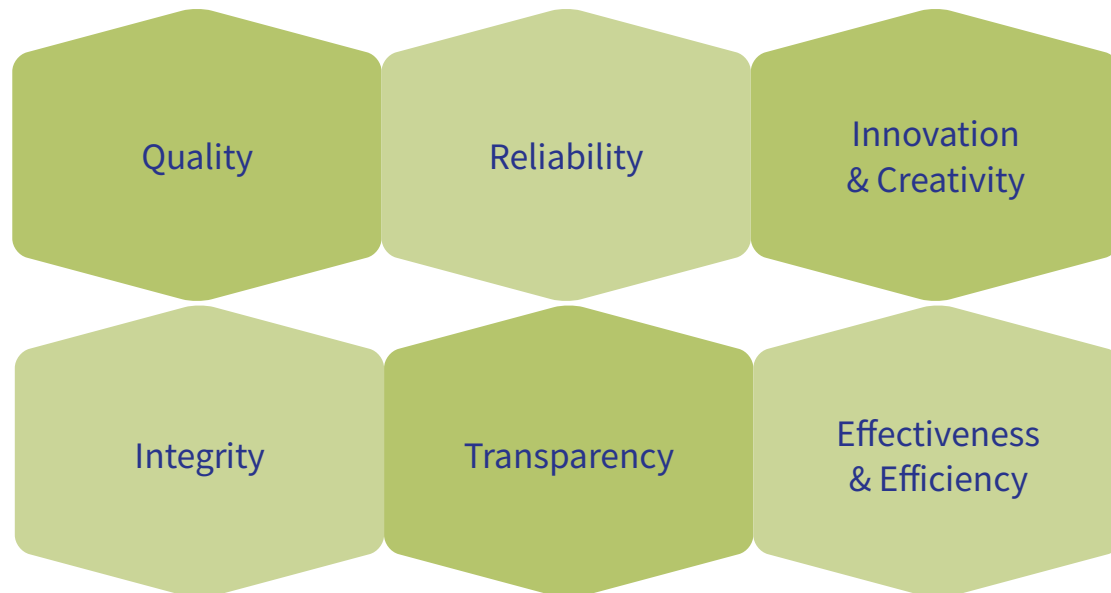
SPECIAL MISSION:

To operate the Company in a way that actively recognizes the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of a broad community.

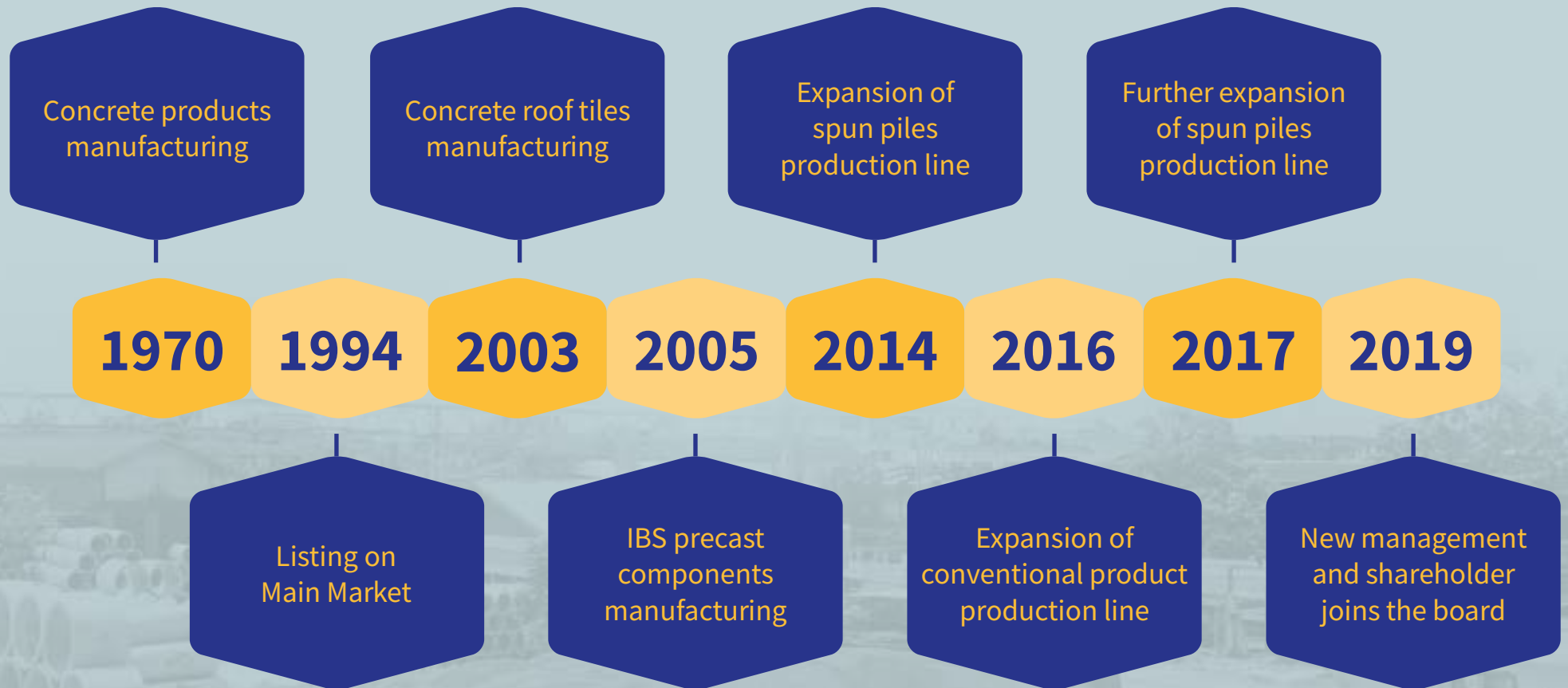
Underlying the mission is the determination to seek new and creative ways to achieving all three parts.

VALUE STATEMENT

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



SCIB GROWTH STORY



CORPORATE INFORMATION

DIRECTORS

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

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

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

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

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

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

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

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

Encik Rosland Bin Othman

COMPANY SECRETARY

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

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

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

REGISTERED OFFICE

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

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

AUDITORS

NEXIA SSSY PLT
(LLP0019490-LCA & AF 002009)

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

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

INVESTOR RELATION

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

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad

Stock Name: SCIB
Stock Code: 9237

SHARE REGISTRAR

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

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

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

PRINCIPAL BANKERS

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

WEBSITE

www.scib.com.my

CORPORATE STRUCTURE

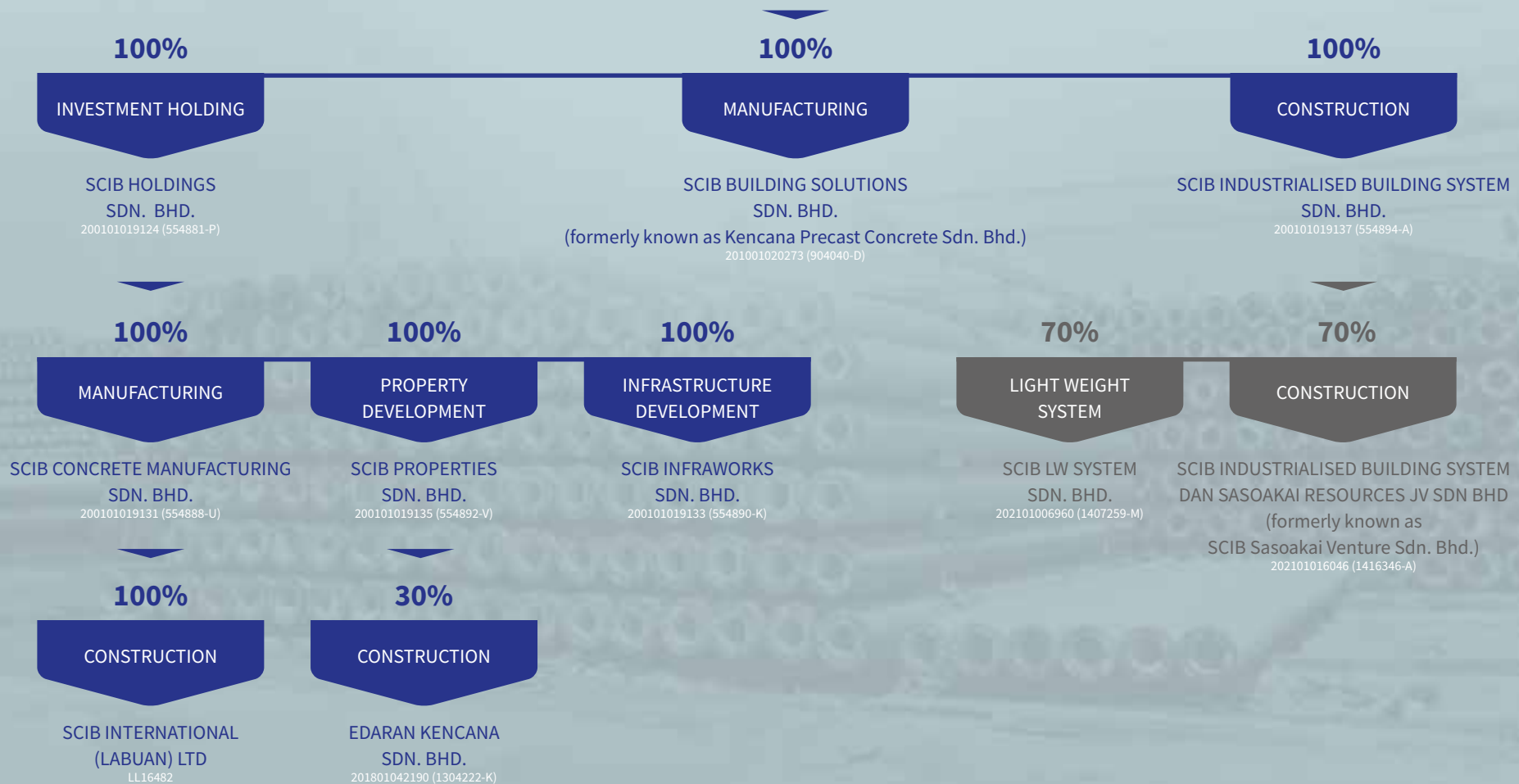
Core Businesses and Leading Entities



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

An all-round building specialise adept in Engineering, Manufacturing, Construction & Commissioning

197501003884 (25583-W)



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

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

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

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

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

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

Encik Shamsul Anuar
Bin Ahamad Ibrahim
Independent
Non-Executive Director



1.5

BOARD OF DIRECTORS

1.5.1 DIRECTOR'S PROFILE

**YBhg. Dato' Dr. Ir. Ts.
Mohd Abdul Karim Bin Abdullah**
NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN
Malaysian / Age 56 / Male

Date of Appointment as Director: 1 August 2019

Date of Redesignation as Non-Independent

Non-Executive Chairman: 1 October 2019

Board Meeting Attendance from

January 2020 to June 2021: 8/8

Board Committees Membership:

- Remuneration & Nomination Committee (Chairman)
- Investment Committee (Chairman)

**Directorship in Other Public Companies
and Listed Issuers:**

- Serba Dinamik Holdings Berhad
- Green & Smart Holdings PLC (Listed on AIM)
- BiON PLC (listed on AIM)
- CSE Global Limited (Listed on SGX)

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

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

in Serba Dinamik Holdings Bhd, Green & Smart Holdings PLC, BiON PLC and CSE Global Limited.

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



1.5.2 DIRECTOR'S PROFILE

YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian / Age 69 / Male

Date of Appointment as Independent

Non-Executive Director: 1 September 2015

Board Meeting Attendance from

January 2020 to June 2021: 8/8

Board Committees Membership:

- Audit Committee
- Risk Management Committee
- Remuneration & Nomination Committee

**Directorship in Other Public Companies
and Listed Issuers:**

Harbour-Link Group Bhd

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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



1.5.3 DIRECTOR'S PROFILE

YBhg. Datu Haji Soedirman Bin Haji Aini

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian / Age 65 / Male

Date of Appointment as Non-Independent

Non-Executive Director: 1 January 2013

Date of Redesignation as Independent

Non-Executive Director: 19 May 2016

Board Meeting Attendance from

January 2020 to June 2021: 8/8

Board Committees Membership:

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

Directorship in Other Public Companies and Listed Issuers:

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

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

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



1.5.4 DIRECTOR'S PROFILE

Encik Shamsul Anuar Bin Ahamad Ibrahim

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian / Age 59 / Male

Date of Appointment as Independent

Non-Executive Director: 1 September 2015

Board Meeting Attendance from

January 2020 to June 2021: 8/8

Board Committees Membership:

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

**Directorship in Other Public Companies
and Listed Issuers:**

NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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



1.5.5 DIRECTOR'S PROFILE

**Tuan Haji Abdul Hadi
Bin Datuk Abdul Kadir**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian / Age 61 / Male

Date of Appointment as Non-Independent

Non-Executive Director: 1 April 2019

Board Meeting Attendance from

January 2020 to June 2021: 8/8

Board Committees Membership:

- Risk Management Committee
(Appointed on 25 February 2021)

**Directorship in Other Public Companies
and Listed Issuers:**

NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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



1.5.6 DIRECTOR'S PROFILE

Encik Sr. Mohd Nazri Bin Mat Noor

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian / Age 58 / Male

Date of Appointment as Independent

Non-Executive Director: 31 January 2020

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

Board Committees Membership:

- Investment Committee
(Appointed on 25 February 2021)

Directorship in Other Public Companies and Listed Issuers:

NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

He is a Registered Quantity Surveyor and currently the principal consultant to a Professional Quantity Surveying Consulting firm (“PQS”) registered with the Lembaga Jurukur Bahan Malaysia and the Treasury, Ministry of Finance.

He has over 30 years of related professional experience covering Australia, Malaysia, Asean and the Middle East Regions. Starting with a 5-year working experience in Australia, he went on to work with a few Multinational companies (Sarawak Shell, Bovis/McLier) and local companies in various capacities and industries. His areas of expertise being contract and procurement management, project and development management, as well as exposures in the Oil and Gas industry during his 3-year stint with Sarawak Shell Berhad’s MLNG-DUA Gas Development Project in Miri/Bintulu.

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

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



1.5.7 DIRECTOR'S PROFILE

Encik Rosland Bin Othman

**GROUP MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER/ EXECUTIVE DIRECTOR**

Malaysian / Age 48 / Male

Date of Appointment as Chief Executive Officer:

10 September 2019

Date of Appointment as Managing Director:

1 October 2019

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

Board Committees Membership:

- Investment Committee (Managing Director)

**Directorship in Other Public Companies
and Listed Issuers:**

NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

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

WORKING EXPERIENCE AND OCCUPATION

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

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

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

Notes:

1. Family Relationship with Director and/or Major Shareholder

Save as disclosed above, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

2. Conflict of interest

None of the Directors has any conflict of interests with the Company.

3. Conviction of Offences

None of the Directors has been convicted of any offences other than traffic offences in the past five (5) years and any public sanction or penalty imposed by the relevant regulatory bodies during the financial period under review.

4. Directorships

Saved as disclosed above, none of the Directors has other directorship in public companies and listed issuers.

5. Details of the Board members' participation in the various Board

Committees are set out in Corporate Governance Overview Statement in this Annual Report.

6. Directors' Training

All Directors have attended various in-house or external programmes to enable them to discharge their duties and responsibilities effectively. In addition, all Directors are encouraged to attend seminars, conferences and various training programmes to keep abreast with market and economic developments as well as with the new statutory and regulatory requirements.



1.5.8 DIRECTOR'S PROFILE

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

NO	DIRECTORS	CONFERENCES, SEMINARS AND TRAINING PROGRAMMES ATTENDED IN THE FINANCIAL PERIOD FROM JANUARY 2020 TO JUNE 2021
1	YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	<ol style="list-style-type: none"> 1. Awareness of Introduction of Section 17A 2. Optimising Risk and Resilience Planning to Manage Disruptions
2	YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	<ol style="list-style-type: none"> 1. Awareness of Introduction of Section 17A 2. Optimising Risk and Resilience Planning to Manage Disruptions 3. Lighting Protection System in Compliance to the Suruhanjaya Tenaga's Circular Order/ST/No.4/2019
3	YBhg. Datu Haji Soedirman Bin Haji Aini	<ol style="list-style-type: none"> 1. Awareness of Introduction of Section 17A 2. Optimising Risk and Resilience Planning to Manage Disruptions 3. Navigating a Sustainable Future with Agility and Resilience 4. Managing your fraud risk: Are you doing enough? 5. 934 - Anti Money Laundering, Anti-Terrorism Financing & Corporate Liability under the MACC Act 6. Navigating a Sustainable Future with Agility and Resilience
4	Encik Shamsul Anuar Bin Ahamad Ibrahim	<ol style="list-style-type: none"> 1. Awareness of Introduction of Section 17A 2. Corporate Liability Under MACC Act 2009 3. Optimising Risk and Resilience Planning to Manage Disruptions 4. Deloitte Taxmax, The 46th Series Webinar 5. AMLA, Anti-Terrorism Financing & Corporate Liability Under The MACC Act
5	Tuan Haji Abdul Hadi Bin Datuk Abdul Kadir	<ol style="list-style-type: none"> 1. Awareness of Introduction of Section 17A 2. Optimising Risk and Resilience Planning to Manage Disruptions
6	Encik Sr. Mohd Nazri Bin Mat Noor	<ol style="list-style-type: none"> 1. Awareness of Introduction of Section 17A 2. Mandatory Accreditation Programme for Directors of Public Listed Companies 3. Optimising Risk and Resilience Planning to Manage Disruptions
7	Encik Rosland Bin Othman	<ol style="list-style-type: none"> 1. Awareness of Introduction of Section 17A 2. Mandatory Accreditation Programme for Directors of Public Listed Companies 3. Optimising Risk and Resilience Planning to Manage Disruptions

1.5.9 DIRECTOR'S PROFILE

Details Of Attendance Of Directors At Board Meetings

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

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



KEY PERSONNELS

Encik Rosland Bin Othman

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Malaysian / Aged 48 / Male

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



1.6.1 KEY PERSONNELS



Mohd Ariff Bin Abd Samat

GROUP CHIEF OPERATING OFFICER

Malaysian / Aged 39 / Male

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

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

His experience in the oil & energy industry, among others, includes roles in internal audit, cash flow budgeting,

responsible for the execution of internal audits function in operational, compliance, financial and risk management audits in manufacturing, Original Equipment Manufacturer ("OEM"), automotive and heavy engineering.

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

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

Chai Tze Khang

CHIEF OPERATING OFFICER

Malaysian / Aged 47 / Male

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

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

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



Chiew Jong Wei

CHIEF FINANCIAL OFFICER

Malaysian / Aged 46 / Male

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

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

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



1.6.2 KEY PERSONNELS

Rashidi Bin Jamani

SENIOR BUSINESS DEVELOPMENT MANAGER

Malaysian / Aged 49 / Male

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

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

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

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

Saiful Azrin Bin Fudzil

HEAD OF PROJECT MANAGEMENT TEAM (PMT)

Malaysian / Aged 48 / Male

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

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

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

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

Wong Li Wen

HEAD OF CORPORATE SERVICES

Malaysian / Aged 38 / Female

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

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

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

Notes:

1. Family Relationship with Director and/or Major Shareholder The Chief Executive Officer and none of the Key Senior Management has any family relationship with any director and/or major shareholder of the Company.

2. Conflict of interest The Chief Executive Officer and none of the Key Senior Management has any conflict of interests with the Company.

3. Conviction of Offences The Chief Executive Officer and none of the Key Senior Management has been convicted of any offences other than traffic offences in the past five (5) years and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year under review.

4. Directorships The Chief Executive Officer and none of the Key Senior Management has other directorship in public companies.

2

ANALYSIS



MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Overview of Company's Business

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

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

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

We operate three (3) factories in Kuching located in the Pending Industrial Estate and the Demak Laut Industrial Park with a total capacity of 500,000 tonnes yearly, which is sufficient to cater Sarawak's large public infrastructure

projects such as the State's portion of the Pan Borneo Highway, Sarawak's coastal road and bridges, water and power supply, public schools, hospitals and health clinics and other infrastructure and construction projects overseas. SCIB is home to 316 employees and contract workers as of 31 December 2021.





OUR VISION

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

OUR MISSION

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

OUR KEY MARKETS

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

Building strategic relationships with our customers is important to us and we have gone above and beyond the normal supplier/customer affiliation as part of our plan to extend our reach and presence beyond Sarawak and Malaysia.

2.1.2 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

OUR STRENGTHS AND OPPORTUNITIES

The Group has shown excellent track records as a manufacturer that not only in supplying the products but also in offering customers technical expertise, professional consultation, and customised solutions. Our record of projects and our brand-recognition, especially in Sarawak, where we are a preferred supplier not just for government but also for the private sector, is a testament to our reliability and quality.

These are our underlying strengths:

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

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

- i) Increase market acceptance and government support of the IBS system
- ii) Increase use of the IBS system as developers and contractors facing labour shortages
- iii) Continue roll-out of large infrastructure projects in Sarawak such as the Pan Borneo Highway, Sarawak

- coastal road and bridges, water and power supply, public schools, hospitals and health clinics
- iv) Expand to overseas markets

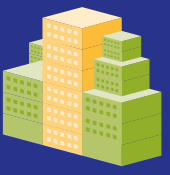
OUR BUSINESS STRATEGIES

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


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



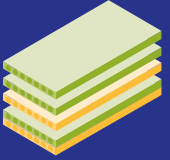
2.1.3 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)




More than **RM1 billion** construction projects supported



3 integrated factories based in Sarawak




500,000 tonnes annual capacity



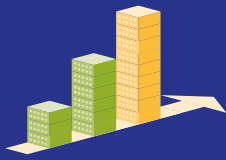
Newly acquired subsidiary company in West Malaysia with **IBS facilities**

KEY FACTS

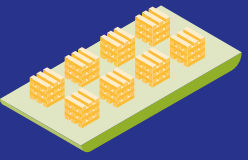
(As at 11 January 2022)




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



RM1.3 billion order book value



Wharf facility for shipment across Borneo



Leading precast concrete & IBS manufacturer in East Malaysia

2.1.4 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Company Financial Review

The Group had changed the financial year end from 31 December to 30 June. The financial period ended 30 June 2021 (“FPE 2021”) covers the period under review from 1 January 2020 to 30 June 2021 over eighteen (18) months whereas the previous financial year ended 31 December 2019 (“FYE 2019”) covered twelve (12) months

and therefore the financial results cannot be entirely compared.

The Group has shown an increase of 131.4% in revenue at RM199.0 million for FPE 2021 as compared to the RM86.0 million of revenue recorded for FYE 2019, which the manufacturing division remains as the largest contributor to the Group’s revenue. Meanwhile, the

significant increase in construction segment revenue is mainly contributed by the rolling out of overseas projects in Qatar, Oman and also Indonesia.

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

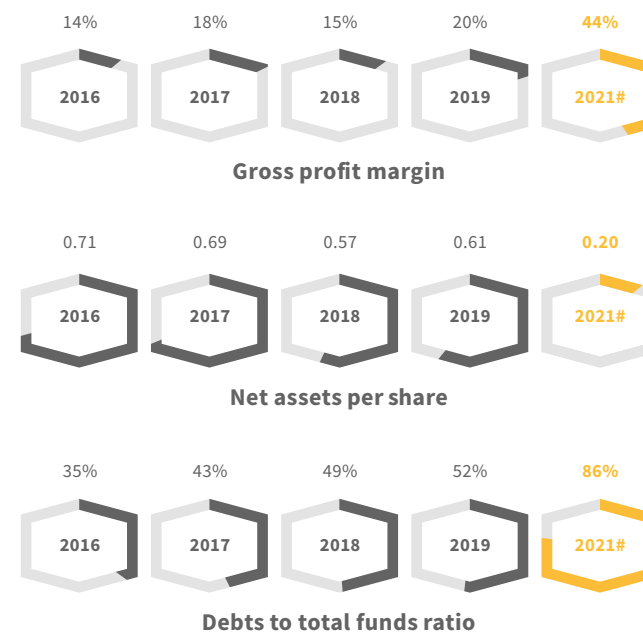
OUR FINANCIAL HIGHLIGHTS FOR THE PAST 5 FINANCIAL YEARS/PERIOD

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

Remark:-

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

FINANCIAL RATIOS



Remark:-

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

2.1.5 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

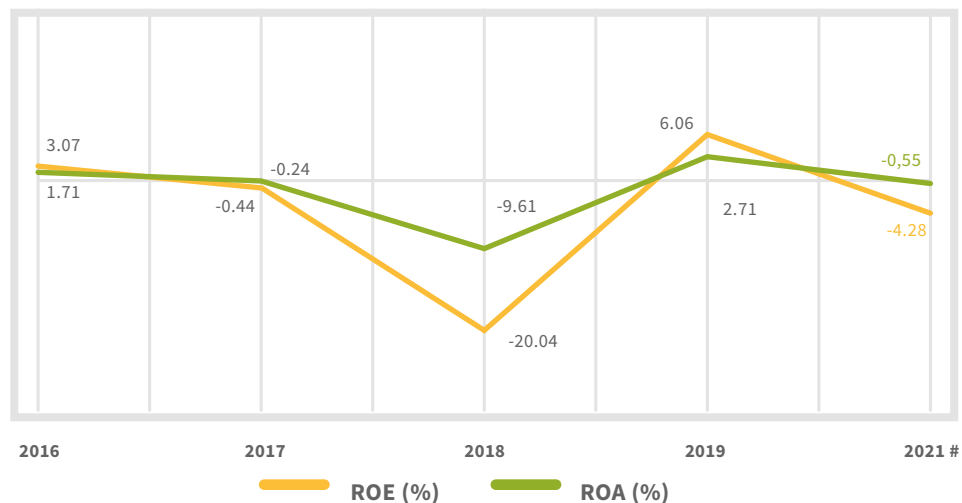
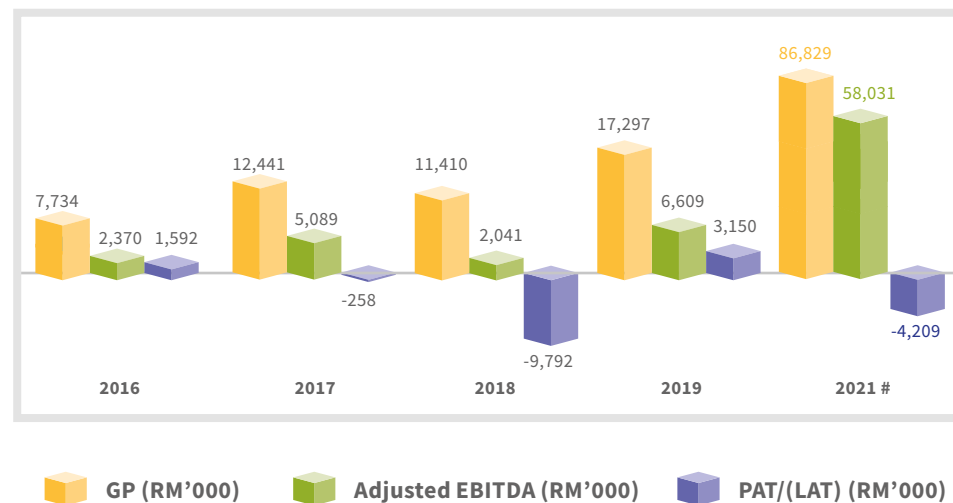
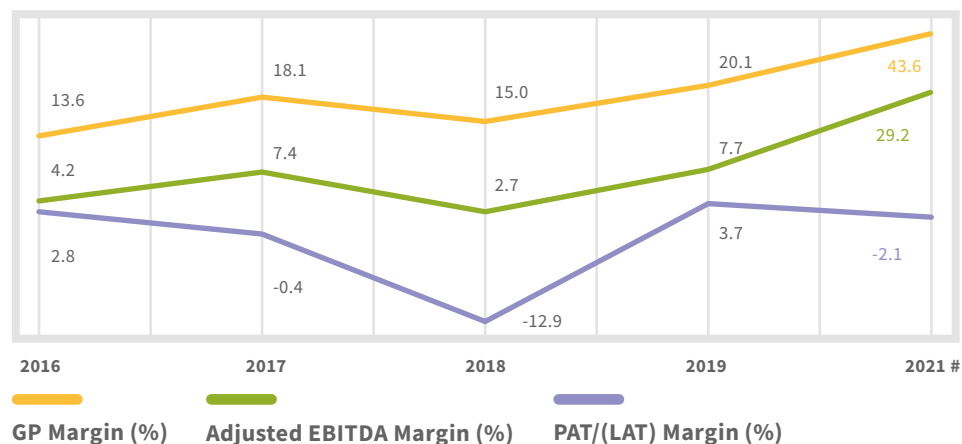
construction division that contributed RM65.7 million during FPE 2021, as compared to RM1.3 million in FYE 2019. Subsequently, the Group’s other income for FPE 2021 stood at RM25.1 million, mainly attributed by the net proceeds arising from the termination of Share Sale Agreement of RM22.8 million.

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

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

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

PROFITABILITY & MARGINS

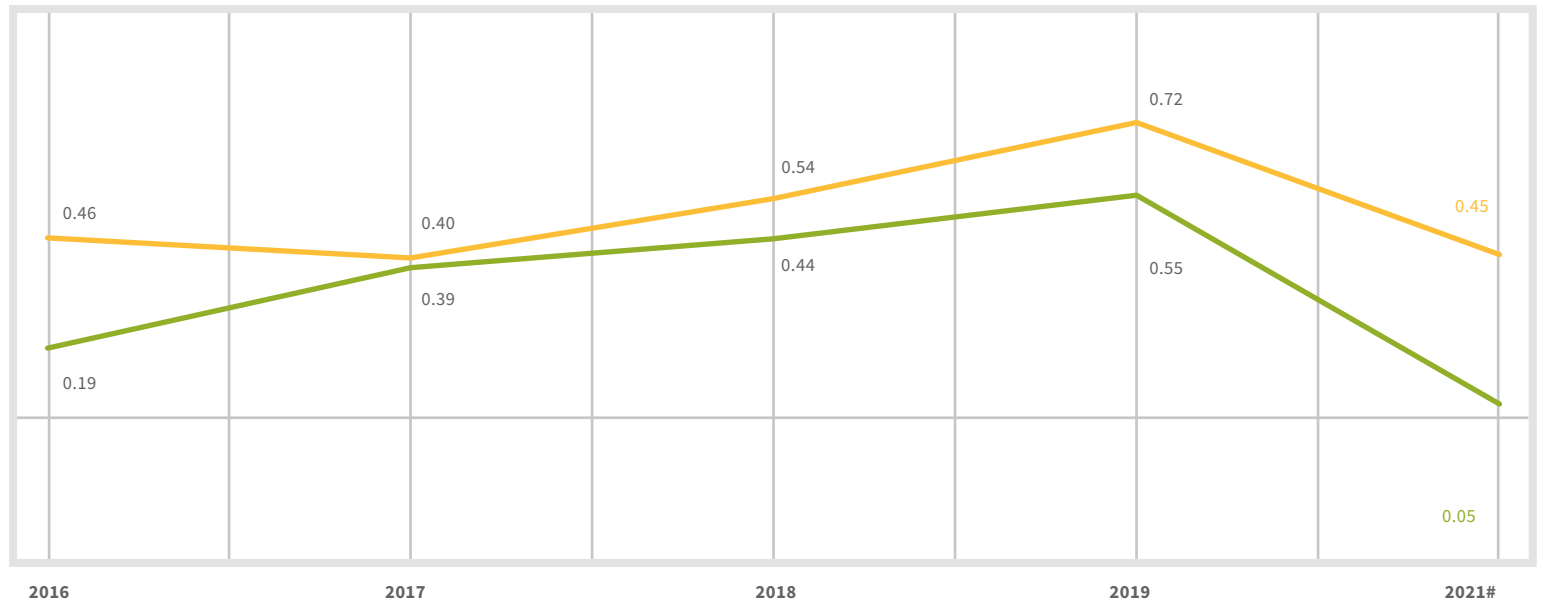


Remark:-
 (#) This was a cumulative 18-months result due to the change in financial year end from 31st December 2020 to 30th June 2021.

2.1.6 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

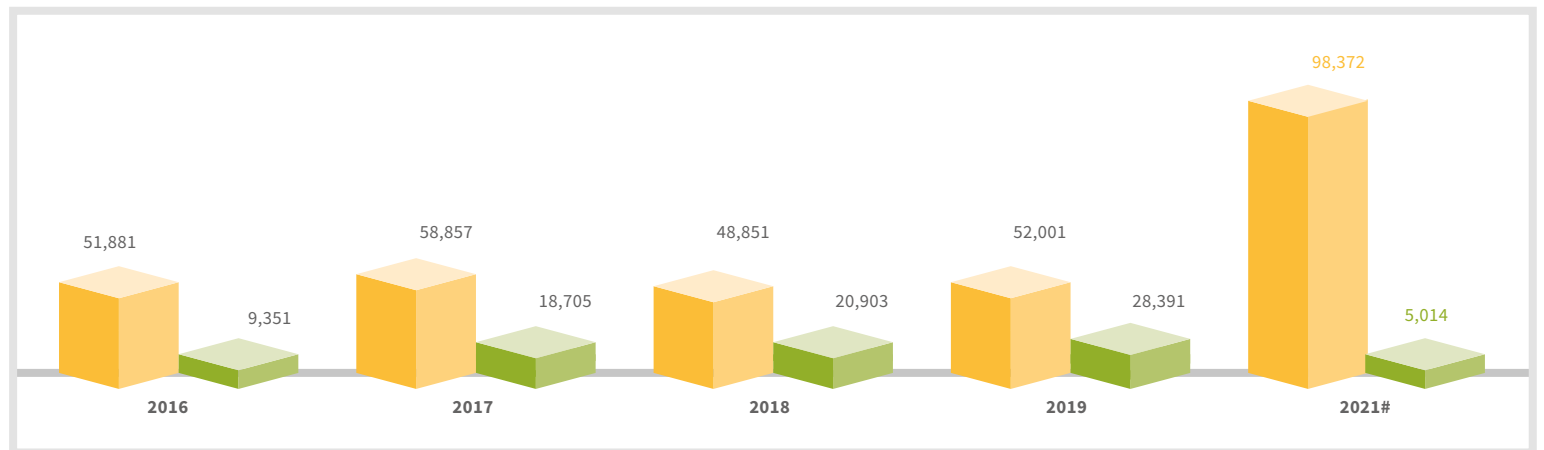
Gearing & Net Gearing

- Gearing (X)
- Net Gearing (X)



Net Assets & Net Debt

- Net Assets (RM'000)
- Net Debt (RM'000)



Remark:-

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

2.1.7 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Operation Review By Business Segment

The Group’s business segments are as follows:

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

REVENUE BREAKDOWN FOR FYE2016 - FPE2021



5Y CAGR

▲ 24.74%

2019 vs 2021

▲ 131.22%

MANUFACTURING/CORPORATE SEGMENT

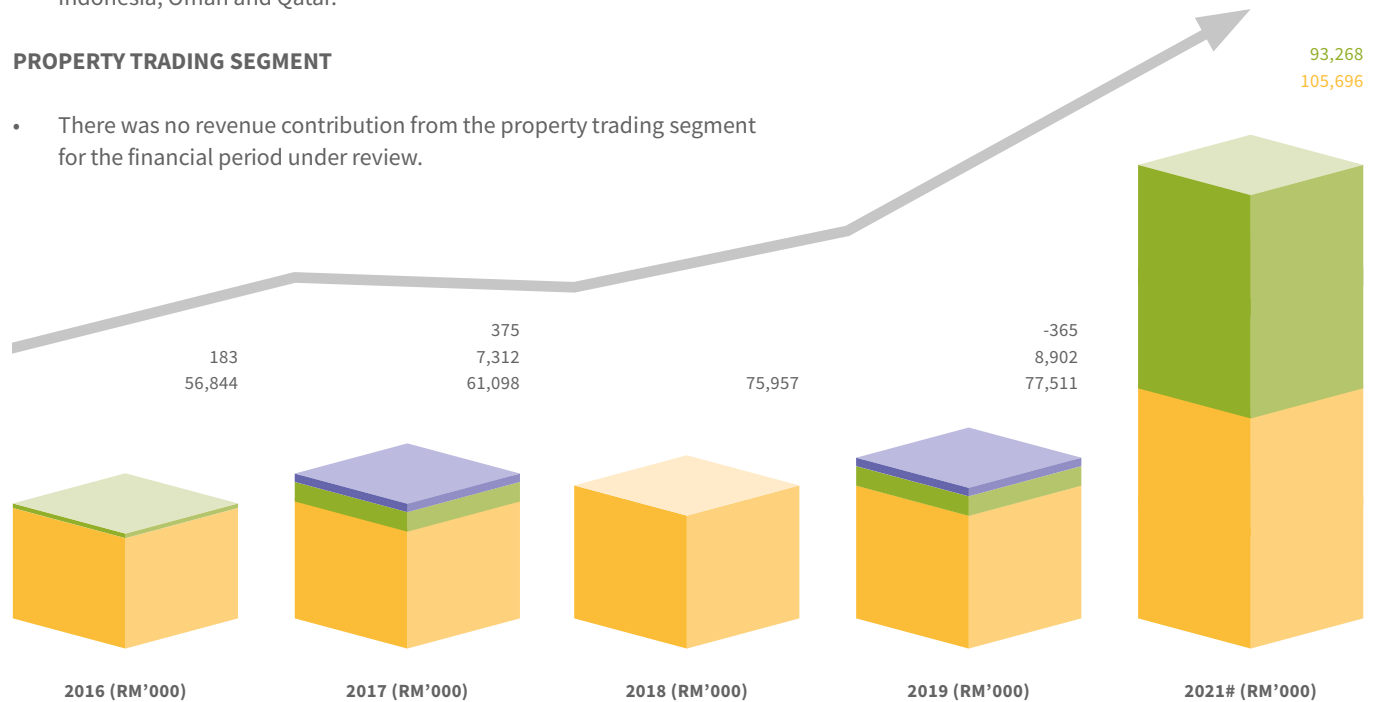
- Manufacturing/Corporate segment revenue increased by 36.4% to RM105.7 million for FPE 2021 as compared to RM77.5 million recorded in FYE 2019 mainly attributed by the increase of sales to Pan Borneo Highways, rolling out of coastal bridges and schools projects in the State of Sarawak.

CONSTRUCTION/EPCC/PROJECT MANAGEMENT SEGMENT

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

PROPERTY TRADING SEGMENT

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



Remark:-

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

2.1.8 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

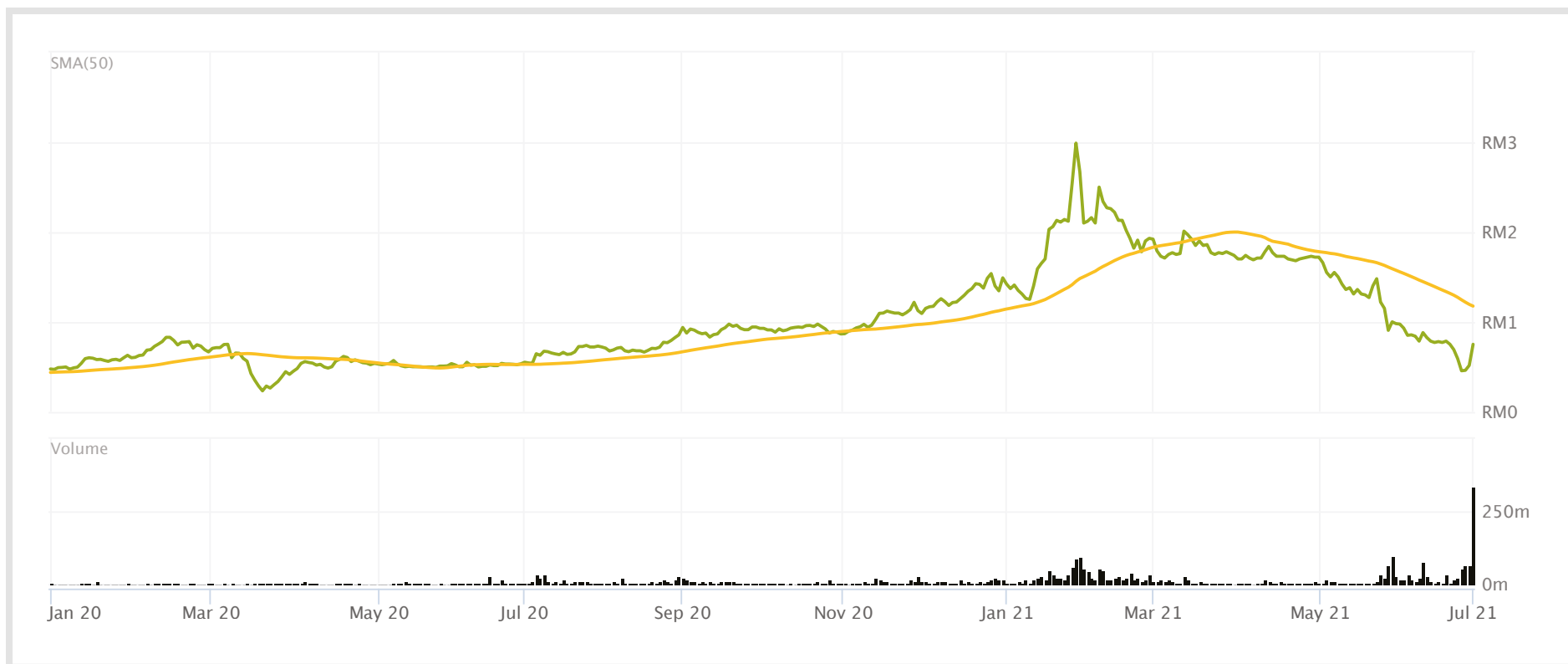
SHARE PRICE PERFORMANCE

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

DIVIDEND

Starting 2020, the Board adopted a Dividend Payout Ratio of at least 30% of the profit after tax attributable to the owners of SCIB for each financial year, excluding any unrealised income from adjustments due to accounting policies that are non-cash in nature. During the financial period under review, the Company has declared and paid interim dividends of RM15,819,593 to the shareholders.

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



2.1.9 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Anticipated Or Known Risks

RISKS

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

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

CREDIT RISK

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

The Company and its subsidiary, SCIB International (Labuan) Ltd. had on 10 November 2021 signed the respective Settlement Agreements with our Clients and the respective subcontractors for Qatar and Oman projects that have been awarded to SCIB Group, to mutually terminate the Contracts and confirm the obligation on the full and final settlement of debts and establish the term and payment schedule for the amount owing between the Parties. Full impairment has been provided for the balances due from overseas projects as

a measure to mitigate the group exposure to credit risk. In sight of the full provision of impairment, the outstanding balances from the overseas projects are excluded from the calculation of trade debtors' turnover period. The Group's trade debtors' turnover period increased from 124 days to 139 days, mainly due to the longer collection period of construction clients during the pandemic. However, the management is confident that these debts are collectible as most of the debtors are long-term active customers. Ample steps have been taken to assess and manage the credit risks during the period under review.

LIQUIDITY RISK

The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group has a total revolving bank facilities limit of RM31.7 million, of which only RM26.1 million or 82.4% was drawn down in the financial period under review. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of our stand-by revolving credit facilities.

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

INTEREST RATE RISK

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

RISKS INHERENT IN THE INFRASTRUCTURE AND CONSTRUCTION INDUSTRIES

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

OPERATIONAL RISKS

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

FOREIGN EXCHANGE RISKS

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

2.1.10 MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

OUTLOOK

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

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

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

SCIB is strengthening its capabilities and capacities through the establishment of internal construction execution team for smoother project control, expansion of building materials manufacturing facilities to support Peninsular Malaysia projects, and adoption of advanced technology to achieve automation with higher cost- and time-efficiency, lower risk of human errors as well as to solve the labour shortage issue. The Group is currently installing and commissioning its first 3D printing system from COBOD International, a 3D construction specialist based in Denmark after the printer arrived

in Malaysia in September 2021. Subsequently, the Group will construct an IBS sample house with the technology and collaborate with Construction Industry Development Board (CIDB) to explore further on its application in domestic landscape. On top of this, SCIB has incorporated a lightweight system plant to enhance the existing IBS offerings and is adopting the Artificial Intelligence (AI), Building Information Modelling (BIM) as well as other software to level up the overall operational efficiency.

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