

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2018**

**Unaudited Condensed Consolidated Statement of Comprehensive Income**

		3 months ended 31 December 2018	3 months ended 31 December 2017	12 months ended 31 December 2018	12 months ended 31 December 2017
	Note	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>					
Revenue	4	18,355	21,285	75,801	68,784
Cost of sales		<u>(16,699)</u>	<u>(17,395)</u>	<u>(64,400)</u>	<u>(56,343)</u>
<b>Gross profit</b>		<b>1,656</b>	<b>3,890</b>	<b>11,401</b>	<b>12,441</b>
Other income		9,658	800	10,347	966
Administrative expenses		(12,995)	(1,933)	(22,836)	(5,868)
Selling and marketing expenses		<u>(1,536)</u>	<u>(1,619)</u>	<u>(6,583)</u>	<u>(6,079)</u>
<b>Operating (loss)/profit</b>		<b>(3,217)</b>	<b>1,138</b>	<b>(7,671)</b>	<b>1,460</b>
Finance costs		<u>(557)</u>	<u>(467)</u>	<u>(1,972)</u>	<u>(1,792)</u>
<b>(Loss)/profit before tax</b>		<b>(3,774)</b>	<b>671</b>	<b>(9,643)</b>	<b>(332)</b>
Income tax credit/(expense)	20	<u>74</u>	<u>(140)</u>	<u>75</u>	<u>(140)</u>
<b>(Loss)/profit for the period attributable to equity holders of the Company</b>		<b>(3,700)</b>	<b>531</b>	<b>(9,568)</b>	<b>(472)</b>
<b>Other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/profit for the period attributable to equity holders of the Company</b>		<b><u>(3,700)</u></b>	<b><u>531</u></b>	<b><u>(9,568)</u></b>	<b><u>(472)</u></b>
<b>(Loss)/profit per share attributable to equity holders of the Company:</b>					
Basic, for (loss)/profit for the period (sen)	25	(4.31)	0.66	(11.14)	(0.55)
Diluted, for (loss)/profit for the period (sen)- Not Applicable					

**These Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.**

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)**

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**Unaudited Condensed Consolidated Statements of Financial Position**

		As At 31 December 2018 (Unaudited) RM'000	As At 31 December 2017 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	35,957	43,077
Other assets		1,600	2,120
Goodwill on acquisition		-	284
		<u>37,557</u>	<u>45,481</u>
<b>Current assets</b>			
Inventories		21,755	23,261
Trade receivables		32,478	23,045
Other receivables		754	1,111
Other current assets		4,196	10,286
Income tax recoverable		139	96
Deposits, cash & bank balances		5,402	5,125
		<u>64,724</u>	<u>62,924</u>
<b>TOTAL ASSETS</b>		<u>102,281</u>	<u>108,405</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		85,913	85,913
Accumulated losses		(36,839)	(27,271)
Total equity		<u>49,074</u>	<u>58,642</u>
<b>Non-current liabilities</b>			
Borrowings	22	16,290	10,227
Other payables		163	146
Deferred taxation		117	117
		<u>16,570</u>	<u>10,490</u>
<b>Current liabilities</b>			
Borrowings	22	10,015	13,603
Trade payables		22,936	21,683
Other payables		3,686	3,893
Other current liabilities		-	13
Tax provision		-	81
		<u>36,637</u>	<u>39,273</u>
Total liabilities		<u>53,207</u>	<u>49,763</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>102,281</u>	<u>108,405</u>
Net assets per share (RM)		<u>0.57</u>	<u>0.68</u>

These Condensed Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)**

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**Unaudited Condensed Consolidated Statements of Changes in Equity**

	← Attributable to owners of the Company →				
	Non-distributable				
	Share capital	Share premium	Revaluation reserve	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2017	73,583	5,097	-	(26,799)	51,881
Total comprehensive loss for the period	-	-	-	(258)	(258)
Shares issued for acquisition of a subsidiary	4,233	-	-	-	4,233
Shares issued for cash	3,000	-	-	-	3,000
Transitions to no-par value regime	5,097	(5,097)	-	-	-
<b>At 31 December 2017</b>	<b>85,913</b>	<b>-</b>	<b>-</b>	<b>(27,057)</b>	<b>58,856</b>
Effect of adoption new accounting standard - MFRS 9	-	-	-	(214)	(214)
<b>At 31 December 2017 (Restated)</b>	<b>85,913</b>	<b>-</b>	<b>-</b>	<b>(27,271)</b>	<b>58,642</b>
At 1 January 2018	85,913	-	-	(27,271)	58,642
Total comprehensive loss for the period	-	-	-	(9,568)	(9,568)
<b>At 31 December 2018</b>	<b>85,913</b>	<b>-</b>	<b>-</b>	<b>(36,839)</b>	<b>49,074</b>

**These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.**

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)**

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2018**

**Unaudited Condensed Consolidated Statements of Cash Flow**

	12 Months ended 31 December 2018 RM'000	12 Months ended 31 December 2017 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(9,643)	(332)
Adjustment for:		
Interest income	(53)	(98)
Interest expense	1,972	1,792
Depreciation of property, plant and equipment	4,826	4,251
Impairment on goodwill	284	-
Impairment loss on property, plant and equipment	2,995	-
Reversal of impairment loss on trade receivables	(407)	(510)
Impairment/(reversal) loss on other receivables	4	(13)
Impairment loss on other current assets	10,877	-
Impairment loss on inventories	623	-
Inventories written off	171	13
Fair value adjustment on contingent consideration asset	(8,815)	-
Operating profit before working capital changes	<u>2,834</u>	<u>5,103</u>
Decrease/(Increase) in inventories	712	(3,584)
Increase in trade and other receivables	(8,673)	(4,732)
Decrease in other assets	520	468
Decrease/(Increase) in other current assets	4,028	(3,245)
Decrease in other current liabilities	(13)	-
Increase in trade and other payables	1,063	5,392
Increase in fixed deposit pledged to bank	(7)	(13)
Cash generated from/ (used in) operations	<u>464</u>	<u>(611)</u>
Taxation paid, net of refund	(49)	(14)
Interest received	53	98
Interest paid	(1,972)	(1,792)
Net cash used in operating activities	<u>(1,504)</u>	<u>(2,319)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(701)	(3,438)
Acquisition of subsidiary	-	(5,265)
Net cash used in investing activities	<u>(701)</u>	<u>(8,703)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	3,000
Proceeds from borrowings	18,585	1,809
Repayment of borrowings	(16,089)	(2,738)
Additional finance under finance lease	614	-
Repayment of obligations under finance leases	(565)	(577)
Net cash generated from financing activities	<u>2,545</u>	<u>1,494</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>340</b>	<b>(9,528)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,585</b>	<b>14,113</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,925</b>	<b>4,585</b>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	5,402	5,125
Bank overdraft (included within short term borrowings in Note 22)	(94)	(164)
Less: Fixed deposit pledged	(383)	(376)
	<u>4,925</u>	<u>4,585</u>

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134 – INTERIM FINANCIAL REPORTING**

**1. Basis of Preparation**

The condensed consolidated interim financial statements (“Condensed Report”) have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with IAS 134 Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The Condensed Report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2017. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

The Condensed Report are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM’000).

**2. Significant accounting policies**

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2017 except for the adoption of the following with effect from 1 January 2018:

Annual Improvements to MFRS Standards 2014 - 2016 Cycle:

- i. Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
- ii. Amendments to MFRS 128: Investments in Associates and Joint Ventures

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 140: Transfers of Investment Property

MFRS 15: Revenue from Contracts with Customers

MFRS 9: Financial Instruments IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

The initial application of the above is not expected to have any significant financial impact on the Group’s financial statements.

**3. Auditors’ report on preceding annual financial statements**

The auditors’ report on the financial statements for the year ended 31 December 2017 was not qualified.

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018****NOTES (cont'd)****4. Segmental information****Results for 3 months ended 31 December 2018**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Revenue</b>					
Total revenue including inter-segment sales	20,472	-	(2,117)	-	18,355
Less: Inter-segment sales	-	-	-	-	-
External revenue	<u>20,472</u>	<u>-</u>	<u>(2,117)</u>	<u>-</u>	<u>18,355</u>
<b>Segment Results</b>					
Results	4,933	(21)	(8,122)	(7)	(3,217)
Finance costs	(557)	-	-	-	(557)
Loss before tax					(3,774)
Income tax credit/ (expense)					74
Loss after tax					<u>(3,700)</u>
<b>Other information</b>					
Interest income	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16</u>

**Results for 3 months ended 31 December 2017**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Revenue</b>					
Total revenue including inter-segment sales	16,808	-	4,477	-	21,285
Less: Inter-segment sales	-	-	-	-	-
External revenue	<u>16,808</u>	<u>-</u>	<u>4,477</u>	<u>-</u>	<u>21,285</u>

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018****NOTES (cont'd)****4. Segmental information (cont'd)****Results for 3 months ended 31 December 2017 (cont'd)**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Results</b>					
Results	557	(23)	611	(7)	1,138
Finance costs	(467)	-	-	-	<u>(467)</u>
Profit before tax					671
Income tax credit /(expense)					(140)
Profit after tax					<u><u>531</u></u>
<b>Other information</b>					
Interest income	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>

**Results for 12 months ended 31 December 2018**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Revenue</b>					
Total revenue including inter- segment sales	75,958	-	(157)	-	75,801
Less: Inter-segment sales	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
External revenue	<u>75,958</u>	<u>-</u>	<u>(157)</u>	<u>-</u>	<u>75,801</u>
<b>Segment Results</b>					
Results	1,168	(57)	(8,773)	(9)	(7,671)
Finance costs	(1,972)	-	-	-	<u>(1,972)</u>
Loss before tax					(9,643)
Income tax credit/ (expense)					75
Loss after tax					<u><u>(9,568)</u></u>
<b>Other information</b>					
Interest income	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53</u>

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2018**

**NOTES (cont'd)**

**4. Segmental information (cont'd)**

**Results for 12 months ended 31 December 2017 (cont'd)**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Revenue</b>					
Total revenue including inter- segment sales	61,097	375	7,312	-	68,784
Less: Inter-segment sales	-	-	-	-	-
External revenue	<u>61,097</u>	<u>375</u>	<u>7,312</u>	<u>-</u>	<u>68,784</u>
<b>Segment Results</b>					
Results	863	(31)	636	(8)	1,460
Finance costs	(1,792)	-	-	-	<u>(1,792)</u>
Loss before tax					<u>(332)</u>
Income tax credit/(expense)					<u>(140)</u>
Loss after tax					<u>(472)</u>
<b>Other information</b>					
Interest income	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98</u>

**5. Unusual items due to their nature, size and incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2018 except as disclosed in Note 2.

**6. Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**7. Comments about seasonal or cyclical factors**

The business of the Group was not affected by any significant seasonal or cyclical factors.

**8. Dividend**

The Group did not declare or pay any dividend during the quarter and financial period ended 31 December 2018.

**9. Acquisitions and disposals of property, plant and equipment**

During the quarter and financial year ended 31 December 2018, the Group acquired Property, Plant and Equipment ("PPE") with an aggregate cost of RM65,551 (4<sup>th</sup> Quarter 31 December 2017: RM637,357) and RM700,999 (31 December 2017: RM4,783,014). Net Book Value of PPE disposed by the Group for the financial period ended 31 December 2018 was RM87 (4<sup>th</sup> Quarter 31 December 2017: RM Nil).



**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2018**

**NOTES (cont'd)**

**10. Related party disclosures**

i) Transactions with companies in which certain directors of the Company have financial interest:

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Income</b>				
Sale of construction materials to:				
-Zecon Berhad	-	137	154	190
-Petra Jaya Properties Sdn. Bhd.	-	-	-	145
-Oricon Sdn. Bhd.	-	44	135	46
<b>Expenditure</b>				
Insurance premium paid to Transnational Insurance Brokers (M) Sdn. Bhd.	143	161	374	376
Rental paid to Reignvest Corporation Sdn. Bhd.	180	180	720	720
Purchase of roofing construction material from Super Glory Sdn. Bhd.	-	98	27	175
Airfare ticket paid to Ik Chin Travel Service Sdn. Bhd.	-	18	-	18

**11. Debt and equity securities**

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial period-to-date.

**12. Changes in composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial period-to-date.

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2018**

**NOTES (cont'd)**

**13. Capital commitments**

	<b>As At 31.12.2018 RM'000</b>	<b>As At 31.12.2017 RM'000</b>
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	551	22
Approved but not contracted for	10,930	2,707
	<u>11,481</u>	<u>2,729</u>

**14. Contingent liabilities – Unsecured**

	<b>As At 31.12.2018 RM'000</b>	<b>As At 31.12.2017 RM'000</b>
Corporate guarantee given to bank for credit facilities granted to a subsidiary	23,037	23,594

**15. Subsequent event**

The Company had on 11 January 2019 received Notice from the Directors of Carlton Gardens Sdn. Bhd. (“CGSB”), a wholly owned subsidiary of the Company that CGSB cannot by reasons of its liabilities continue its business, and the Directors of CGSB have made a statutory declaration to that effect pursuant to Section 440(1) of the Companies Act 2016, and that Mr. Wong Ching Yong (NRIC No : 580108-13-5155) has been appointed as the Interim Liquidator.

None of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, direct or indirect in the voluntary winding-up.

A mediation meeting was held on 29 January 2019 between representatives from the Company and Gaya Belian Sdn Bhd and two other individuals for the purpose of achieving an amicable settlement pursuant to Originating Summons under Suit No. BKI-24NCC(ARB)-2/7-2018 (HC2) as disclosed under Note 26: Material Litigation of this announcement. However, no decision has been made.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**NOTES (cont'd)**

**PART B -ADDITIONAL INFORMATION PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**16. Performance review**

The Group's revenue decreased by 14% from RM21.3 million in the last quarter of 2017 to RM18.4 million in the last quarter of 2018. Lower revenue primarily due to cessation of construction project in Sabah in 2018. A loss before tax of RM3.8 million was reported for this quarter as compared to a profit before tax of RM671,000 approximately posted in the corresponding quarter last year.

On a year-to-date basis, the Group reported revenue of RM75.8 million in year 2018, as compared to RM68.8 million last year representing an increase of 10%. The manufacturing division being the key driver and largest contributor to the Group's revenue, reported revenue of about RM76 million and RM61 million for the year ended 31 December 2018 and 31 December 2017 respectively. However, the Group recorded a higher loss before tax of RM9.6 million as compared to a loss before tax of RM332,000 approximately last year. The loss is mainly attributable to the loss in construction division in Sabah of RM8.8 million.

The net assets of the Group as at 31 December 2018 stood at RM49 million which translates to RM0.57 net assets value per share.

**17. Variation of results against preceding quarter**

The Group registered a loss before tax of RM3.8 million from a revenue of RM18.4 million for the current quarter as compared to a profit before tax of RM696,000 from a revenue of RM19.9 million in the preceding quarter. The loss before tax in the current quarter was mainly attributable to impairment loss on assets of RM5.5 million in construction division in Sabah.

**18. Prospects for the next year**

The Malaysian economy is expected to achieve moderate growth in 2019. The Group remains focused on managing its cost structure and promoting its IBS products for new projects. The Group has benefited from the rolling out of the Pan Borneo Highway Project and expects significant improvement in its order book from private projects and anticipates better results for the next financial year. In addition, the Group is also expecting to secure few construction projects in Sarawak in the coming years.

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2018**

**NOTES (cont'd)**

19. (a) **Variance of actual profit from forecast profit**

Not applicable

(b) **Shortfall in the profit guarantee**

Not applicable

20. **Income tax credit/(expense)**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax	-	(116)	-	(116)
Over/(under)provision of tax in prior year	74	(24)	75	(24)
	<u>74</u>	<u>(140)</u>	<u>75</u>	<u>(140)</u>
Deferred tax	-	-	-	-
Total income tax credit/(expense)	<u>74</u>	<u>(140)</u>	<u>75</u>	<u>(140)</u>

21. **Corporate Proposals**

On 6 November 2017, 5,000,000 private placement shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad. Only 5,000,000 new SCIB shares out of the 36,397,125 new SCIB Shares were placed out pursuant to the Private Placement. The corporate exercise is deemed completed on 20 July 2018.

22. **Borrowings**

	<b>As at</b>	<b>As at</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Secured	9,920	13,439
Unsecured	95	164
	<u>10,015</u>	<u>13,603</u>
<b>Long term borrowings</b>		
Secured	16,290	10,227
	<u>26,305</u>	<u>23,830</u>

All of the above borrowings are denominated in Ringgit Malaysia.

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2018**

**NOTES (cont'd)**

**23. Derivatives financial instruments**

There were no outstanding derivatives as at the end of the reporting year.

**24. Dividend payable**

No interim ordinary dividend has been declared for the financial period ended 31 December 2018 (31 December 2017: Nil).

**25. Basic (loss)/profit per share**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/profit attributable to ordinary equity holders of the Company	<u>(3,700)</u>	<u>531</u>	<u>(9,568)</u>	<u>(472)</u>
		<b>As at</b>		<b>As at</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
Weighted average number of ordinary shares in issue	<u>85,882,500</u>	<u>85,882,500</u>	<u>85,882,500</u>	<u>85,882,500</u>
		<b>3 months ended</b>		<b>12 months ended</b>
		<b>31.12.2018</b>		<b>31.12.2017</b>
		<b>Sen</b>		<b>Sen</b>
Basic (loss)/profit per share for (loss)/profit for the period	<u>(4.31)</u>	<u>0.66</u>	<u>(11.14)</u>	<u>(0.55)</u>

There is no dilution in its (loss)/profit per share in the current quarter and financial period to date as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

## **SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)

### **INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

#### **NOTES (cont'd)**

#### **26. Material litigation**

On 5 July 2016, SCIB Industrialised Building System Sdn. Bhd. (“SIBS”), a wholly owned subsidiary of SCIB had, vide its solicitors, Messrs Loke, King, Goh & Partners, filed writ and statement of claim against Millennium Crest Sdn. Bhd. claiming for RM2,786,696 being the work delivered as at 29 December 2014. Subsequently, Millennium Crest Sdn. Bhd. has filed defence and counterclaim dated 10 October 2016. On 2 May 2017, a Consent Judgment was entered against Millennium Crest Sdn. Bhd. in the sum of RM1,982,000 with interest of 6% per annum calculated from the date of the Consent Judgment until full and final settlement by Millennium Crest Sdn. Bhd.. Writ of Seizure and Prohibitory Order were served against Millennium Crest Sdn. Bhd. on 17th July 2017. Millennium Crest has settled RM500,000 in the last quarter of 2017 and RM600,000 in 2018 which resulted in the reversal of impairment loss on trade receivables.

On 2 July 2018, Sarawak Consolidated Industries Berhad (“SCIB”) (“the Plaintiff”), filed the Originating Summons under Suit No. BKI-24NCC(ARB)-2/7-2018 (HC2) against Gaya Belian Sdn Bhd and two other individuals (“the Defendants”), vide its solicitors, Messrs J Marimuttu & Partners, Advocates and Solicitors. The High Court had on the 3 July 2018 granted the Ex-Pate Order restraining the Defendants from selling, transferring or other dealing with 7,121,000 shares in the Plaintiff.

#### **27. Additional disclosures on (loss)/profit for the period**

(Loss)/profit for the period is arrived at after charging/(crediting):

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property, plant and equipment (“PPE”)	1,205	1,149	4,826	4,251
Impairment/(reversal) of loss on trade receivables	900	(508)	(407)	(510)
Impairment/(reversal) of loss on other receivables	4	(7)	4	(13)
Interest expense	557	467	1,972	1,792
Interest income	(16)	(21)	(53)	(98)
Inventories written off	187	12	171	13
Fair value adjustment on contingent consideration asset	(8,815)	-	(8,815)	-
Impairment loss on inventory	623	-	623	-
Impairment loss on property, plant and equipment (“PPE”)	2,995	-	2,995	-
Impairment loss on other current assets	10,877	-	10,877	-

#### **28. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2019.