

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017****Unaudited Condensed Consolidated Statement of Comprehensive Income**

		3 months ended 31 March 2017	3 months ended 31 March 2016	3 months ended 31 March 2017	3 months ended 31 March 2016
	Note	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Continuing Operations</b>					
Revenue	4	14,879	11,863	14,879	11,863
Cost of sales		(12,594)	(10,048)	(12,594)	(10,048)
<b>Gross profit</b>		<b>2,285</b>	<b>1,815</b>	<b>2,285</b>	<b>1,815</b>
Other income		63	6	63	6
Administrative expenses		(1,484)	(1,102)	(1,484)	(1,102)
Selling and marketing expenses		(1,267)	(865)	(1,267)	(865)
<b>Operating loss</b>		<b>(403)</b>	<b>(146)</b>	<b>(403)</b>	<b>(146)</b>
Finance costs		(438)	(346)	(438)	(346)
Share of loss of an associate		-	(89)	-	(89)
<b>Loss before tax</b>		<b>(841)</b>	<b>(581)</b>	<b>(841)</b>	<b>(581)</b>
Income tax expense	20	-	-	-	-
<b>Loss for the period attributable to equity holders of the Company</b>		<b>(841)</b>	<b>(581)</b>	<b>(841)</b>	<b>(581)</b>
<b>Other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period attributable to equity holders of the Company</b>		<b>(841)</b>	<b>(581)</b>	<b>(841)</b>	<b>(581)</b>
<b>Loss per share attributable to equity holders of the Company:</b>					
Basic, for loss for the period (sen)	25	(1.14)	(0.79)	(1.14)	(0.79)
Diluted, for loss 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 FIRST QUARTER ENDED 31 MARCH 2017****Unaudited Condensed Consolidated Statements of Financial Position**

		As At 31 March 2017 (Unaudited) (RM'000)	As At 31 December 2016 (Audited) (RM'000)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	38,875	38,051
Other assets		2,588	2,588
		<b>41,463</b>	<b>40,639</b>
<b>Current assets</b>			
Inventories		19,538	19,227
Trade receivables		19,560	16,995
Other receivables		3,188	325
Other current receivables		1,512	1,087
Income tax recoverable		143	142
Cash & bank balances		8,692	14,476
		<b>52,633</b>	<b>52,252</b>
<b>TOTAL ASSETS</b>		<b>94,096</b>	<b>92,891</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		73,583	73,583
Share premium		5,097	5,097
Accumulated losses		(27,640)	(26,799)
Total equity		51,040	51,881
<b>Non-current liabilities</b>			
Borrowings	22	12,432	12,777
Other payables		147	147
		<b>12,579</b>	<b>12,924</b>
<b>Current liabilities</b>			
Borrowings	22	11,541	11,051
Trade payables		14,635	14,073
Other payables		4,288	2,949
Other current liabilities		13	13
		<b>30,477</b>	<b>28,086</b>
<b>Total liabilities</b>		<b>43,056</b>	<b>41,010</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>94,096</b>	<b>92,891</b>
<b>Net assets per share (RM)</b>		<b>0.69</b>	<b>0.71</b>

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 FIRST QUARTER ENDED 31 MARCH 2017**

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

	← Attributable to owners of the Company → Non-distributable				
	<u>Share capital</u> (RM'000)	<u>Share premium</u> (RM'000)	<u>Revaluation reserve</u> (RM'000)	<u>Accumulated losses</u> (RM'000)	<u>Total</u> (RM'000)
At 1 January 2016	73,583	5,097	-	(28,391)	50,289
Total comprehensive loss for the period	-	-	-	(581)	(581)
At 31 March 2016	<u>73,583</u>	<u>5,097</u>	<u>-</u>	<u>(28,972)</u>	<u>49,708</u>
At 1 January 2017	73,583	5,097	-	(26,799)	51,881
Total comprehensive loss for the period	-	-	-	(841)	(841)
At 31 March 2017	<u>73,583</u>	<u>5,097</u>	<u>-</u>	<u>(27,640)</u>	<u>51,040</u>

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 FIRST QUARTER ENDED 31 MARCH 2017****Unaudited Condensed Consolidated Statements of Cash Flow**

	3 Months ended 31 March 2017 RM'000	3 Months ended 31 March 2016 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(841)	(581)
Adjustment for:		
Interest income	(47)	(13)
Interest expense	438	346
Depreciation of property, plant and equipment	1,030	1,112
Reversal of impairment loss on trade receivables	(2)	-
Reversal of impairment loss on other receivables	(6)	-
Inventories written off/(back)	1	(8)
Share of loss of associate	-	89
Property, plant and equipment written off	-	1
Operating profit before working capital changes	<u>573</u>	<u>946</u>
Increase in inventories	(312)	(982)
Increase in trade and other receivables	(5,420)	(1,130)
Increase in other current assets	(425)	(284)
Increase in trade and other payables	1,901	482
Cash used in operations	<u>(3,683)</u>	<u>(968)</u>
Taxation paid, net of refund	(1)	(17)
Interest received	47	13
Interest paid	(438)	(346)
Net cash used in operating activities	<u>(4,075)</u>	<u>(1,318)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,854)	(12)
Net cash used in investing activities	<u>(1,854)</u>	<u>(12)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,159	3,760
Repayment of borrowings	(1,014)	(1,013)
Net cash from financing activities	<u>145</u>	<u>2,747</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(5,784)</u>	<u>1,417</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>14,113</u>	<u>5,187</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>8,329</u></u>	<u><u>6,604</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	8,692	6,965
Bank overdraft (included within short term borrowings in Note 22)	-	(12)
Less: Fixed deposits pledged	(363)	(349)
	<u><u>8,329</u></u>	<u><u>6,604</u></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 FIRST QUARTER ENDED 31 MARCH 2017**

**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 2016. 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 2016.

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 2016 except for the adoption of the following with effect from 1 January 2017:

Amendments to MFRS 107: Disclosure Initiatives

Amendments to MFRS 112: Recognition of Deferred Tax Assets for unrealized Losses

Amendments to MFRS 12: Disclosure of Interests in Other Entities (Annual Improvements to MFRSs 2014 - 2016 Cycle)

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 2016 was not qualified.

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017****NOTES (cont'd)****4. Segmental information****Results for 3 months ended 31 March 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	14,879	-	-	-	14,879
Less: Inter-segment sales	-	-	-	-	-
External revenue	<u>14,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,879</u>
<b>Segment Results</b>					
Results	(281)	(19)	(103)	-	(403)
Finance costs	(438)	-	-	-	(438)
Loss before tax					(841)
Income tax income					-
Loss after tax					<u>(841)</u>
<b>Other information</b>					
Interest income	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>

**Results for 3 months ended 31 March 2016**

	<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	11,863	-	-	-	11,863
Add/(Less): Inter-segment (return)/sales	-	-	-	-	-
External revenue	<u>11,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,863</u>

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

## **INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

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

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

##### **Results for 3 months ended 31 March 2016 (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	2	(10)	(138)	-	(146)
Finance costs	(346)	-	-	-	(346)
Share of results of an associate					(89)
Loss before tax					(581)
Income tax income					-
Loss after tax					(581)
<b>Other information</b>					
Interest income	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</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 March 2017 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 March 2017.

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

During the quarter ended 31 March 2017, the Group acquired Property, Plant and Equipment ("PPE") with an aggregate cost of RM1,853,982 (1st Quarter 31 March 2016: RM12,435. Net Book Value of PPE written off by the Group for the quarter ended 31 March 2017 was RM Nil (31 March 2016: RM653).

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

## **INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

### **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>3 months ended</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>31.03.2016</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	73	-	73	-
-Petra Jaya Properties Sdn. Bhd.	122	369	122	369
-Sego Holdings Sdn Bhd	-	-	-	-
-Rekaruang Sdn. Bhd.	-	705	-	705
<b>Expenditure</b>				
Insurance premium paid to Transnational Insurance Brokers (M) Sdn. Bhd.	25	22	25	22
Management fees paid to Santubong Suites Sdn. Bhd.	10	9	10	9
Rental paid to Reignvest Corporation Sdn Bhd.	180	180	180	180
Purchase of roofing construction material paid to Super Glory Industries Sdn Bhd	45	-	45	-

#### **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**

Saved as disclosed below, there were no changes in the composition of the Group for the current quarter and financial period-to-date.

On 28 December 2016, the Company entered into a conditional share sale agreement (“SSA”) with Gaya Belian Sdn. Bhd., Brian Francis Ticcioni and Asgari bin Mohd Fuad Stephens (collectively referred to as the “Sellers”) for the proposed acquisition of 4,463,640 ordinary shares of RM1.00 each representing the entire equity interest in Carlton Gardens Sdn. Bhd. (“CGSB”) for a total purchase price of RM9,500,000.

Upon fulfilment of all the Conditions Precedent as set out in the SSA and completion of the proposed CGSB acquisition, CGSB will be a wholly owned subsidiary of the Company.



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

## **INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

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

#### **13. Capital commitments**

	<b>As At 31.03.2017 RM'000</b>	<b>As At 31.12.2016 RM'000</b>
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	114	2,729
Approved but not contracted for	2,710	1,949
	<u>2,824</u>	<u>4,678</u>
	=====	=====

#### **14. Contingent liabilities – Unsecured**

	<b>As At 31.03.2017 RM'000</b>	<b>As At 31.12.2016 RM'000</b>
Corporate guarantee given to bank for credit facilities granted to a subsidiary	23,875	23,721
	<u>23,875</u>	<u>23,721</u>
	=====	=====

#### **15. Subsequent event**

There were no material events subsequent to the end of the current quarter

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

#### **16. Performance review**

The Group reported revenue of RM14.9 million in the first quarter of 2017, as compared to RM11.9 million in the corresponding quarter of 2016, representing an increase of 25% or RM3 million. During the current quarter under review, the Group's revenue was mainly contributed by manufacturing division. Higher revenue was primarily due to higher demand for spun pipes & beams given rolling out of the Pan Borneo Highway Project from its Manufacturing division in the current quarter. The Group has reported a loss before tax of RM841,000 as compared to loss before tax of RM581,000 posted in the corresponding quarter last year. A higher loss before tax during the quarter is mainly attributable to higher administrative and finance costs in relation to the proposed acquisition of Carlton Gardens Sdn. Bhd..

There was no contribution from the Construction division and Properties division. The net assets of the Group as at 31 March 2017 stood at RM51.04 million which translates to RM0.69 net assets value per share.

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

## **INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

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

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

The Group registered a loss before tax of RM841,000 from a revenue of RM14.9 million for the current quarter as compared to a profit before tax of RM3,826,000 from a revenue of RM15.5 million in the preceding quarter. A loss before tax was reported as compared to profit before tax in the preceding quarter is mainly attributable to higher administration expenses due to corporate exercise in the current quarter and reversal of impairment loss on trade receivable and recognition of gain on disposal of associate amounting to RM1,556,000 and RM3,565,000 in the preceding quarter.

#### **18. Prospects for the remaining quarters**

The Malaysian economy is expected to achieve moderate growth in 2017. The Group remains focused on managing its cost structure and promoting its IBS products for new projects. Given the rolling out of the Pan Borneo Highway Project, the Group expects significant improvement in its order book and anticipates better results for the remaining quarters. Given the acquisition of Carlton Gardens Sdn. Bhd. and the accompanying supply contract, the Board is confident of better performance for this year.

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

Not applicable

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

Not applicable

#### **20. Income tax (income)/ expense**

	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax	-	-	-	-
(Overprovision) of tax in prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax	-	-	-	-
Total income tax (income)/ expense	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-

#### **21. Corporate Proposals**

Save for the proposed CGSB acquisition (as disclosed in note 12 of this Interim Financial Report), proposed amendments to the memorandum and articles of association of the Company and proposed private placement of up to 36,397,125 new ordinary share capital in SCIB representing up to 45% of the enlarged share capital of SCIB after completion of the proposed CGSB acquisition to be subscribed by potential investors to be identified later, there are no other outstanding proposals which have been

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announced by the Company but pending implementation.

**NOTES (cont'd)****22. Borrowings**

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
<b>Short term borrowings</b>		
Secured	11,541	11,051
Unsecured	-	-
	<u>11,541</u>	<u>11,051</u>
<b>Long term borrowings</b>		
Secured	12,432	12,777
	<u>23,973</u>	<u>23,828</u>

All of the above borrowings are denominated in Ringgit Malaysia.

**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 March 2017 (31 December 2016: Nil).

**25. Basic loss per share**

	3 months ended		3 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Loss attributable to ordinary equity holders of the Company	<u>(841)</u>	<u>(581)</u>	<u>(841)</u>	<u>(581)</u>
	As at	As at	As at	As at
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Weighted average number of ordinary shares in issue	<u>73,582,500</u>	<u>73,582,500</u>	<u>73,582,500</u>	<u>73,582,500</u>
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2017 Sen	31.03.2016 Sen	31.03.2017 Sen	31.03.2016 Sen
Basic loss per share for loss for the period	<u>(1.14)</u>	<u>(0.79)</u>	<u>(1.14)</u>	<u>(0.79)</u>

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### **INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

There is no dilution in its loss 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.

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

#### **26. Breakdown of accumulated losses of the Group as at the reporting date into realised and unrealised**

	<b>As at 31.03.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Total accumulated losses		
- Realised	(28,304)	(27,432)
- Unrealised	-	-
	<u>(28,304)</u>	<u>(27,432)</u>
Consolidation adjustments	664	633
Total Group accumulated losses as per consolidated accounts	<u>(27,640)</u>	<u>(26,799)</u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, Determination of Realised and unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

#### **27. 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.. SIBS is seeking the necessary legal advice for the next course of action.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

**NOTES (cont'd)**

**28. Additional disclosures on loss for the period**

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

	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property, plant and Equipment ("PPE")	1,030	1,112	1,030	1,112
PPE written off	-	1	-	1
Share of associate loss	-	89	-	89
Interest expense	438	346	438	346
Interest income	(47)	(13)	(47)	(13)
Inventories written off/ (back)	1	(8)	1	(8)
Reversal of impairment loss on trade receivables	(2)	-	(2)	-
Reversal of impairment loss on other receivables	(6)	-	(6)	-

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**29. 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 31 May 2017.