

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

		3 months ended 31 December 2017	3 months ended 31 December 2016	12 months ended 31 December 2017	12 months ended 31 December 2016
	Note	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Continuing Operations</b>					
Revenue	4	21,285	15,484	68,784	57,027
Cost of sales		(17,395)	(13,231)	(56,343)	(49,293)
<b>Gross profit</b>		<b>3,890</b>	<b>2,253</b>	<b>12,441</b>	<b>7,734</b>
Other income		86	4,129	252	4,184
Administrative expenses		(1,005)	(772)	(4,940)	(3,989)
Selling and marketing expenses		(1,619)	(1,250)	(6,079)	(4,276)
		<b>1,352</b>	<b>4,360</b>	<b>1,674</b>	<b>3,653</b>
<b>Operating profit</b>		<b>1,352</b>	<b>4,360</b>	<b>1,674</b>	<b>3,653</b>
Finance costs		(467)	(475)	(1,792)	(1,740)
Share of loss of an associate		-	(59)	-	(321)
<b>Profit/(loss) before tax</b>		<b>885</b>	<b>3,826</b>	<b>(118)</b>	<b>1,592</b>
Income tax expense	21	(140)	-	(140)	-
<b>Profit/(loss) for the period attributable to equity holders of the Company</b>		<b>745</b>	<b>3,826</b>	<b>(258)</b>	<b>1,592</b>
<b>Other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the period attributable to equity holders of the Company</b>		<b>745</b>	<b>3,826</b>	<b>(258)</b>	<b>1,592</b>
<b>Profit/(loss) per share attributable to equity holders of the Company:</b>					
Basic, for profit/(loss) for the period (sen)	26	0.87	5.20	(0.30)	2.16
Diluted, for profit/(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 FOURTH QUARTER ENDED 31 DECEMBER 2017**

	Note	As At 31 December 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	43,077	38,051
Other assets		2,120	2,588
Goodwill on acquisition		5,648	-
		<b>50,845</b>	<b>40,639</b>
<b>Current assets</b>			
Inventories		23,261	19,227
Trade receivables		23,259	16,996
Other receivables		1,111	322
Other current receivables		4,922	1,087
Income tax recoverable		96	142
Deposits, cash & bank balances		5,125	14,476
		<b>57,774</b>	<b>52,250</b>
<b>TOTAL ASSETS</b>		<b>108,619</b>	<b>92,889</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		80,817	73,583
Share premium		5,097	5,097
Accumulated losses		(27,057)	(26,799)
<b>Total equity</b>		<b>58,857</b>	<b>51,881</b>
<b>Non-current liabilities</b>			
Borrowings	23	10,227	12,777
Other payables		146	147
Deferred taxation		117	-
		<b>10,490</b>	<b>12,924</b>
<b>Current liabilities</b>			
Borrowings	23	13,603	11,051
Trade payables		21,515	14,073
Other payables		4,060	2,947
Other current liabilities		13	13
Tax provision		81	-
		<b>39,272</b>	<b>28,084</b>
<b>Total liabilities</b>		<b>49,762</b>	<b>41,008</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>108,619</b>	<b>92,889</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 FOURTH QUARTER ENDED 31 DECEMBER 2017**

**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)
<b>At 1 January 2016</b>	73,583	5,097	-	(28,391)	50,289
Total comprehensive profit for the period	-	-	-	1,592	1,592
<b>At 31 December 2016</b>	<u>73,583</u>	<u>5,097</u>	<u>-</u>	<u>(26,799)</u>	<u>51,881</u>
<b>At 1 January 2017</b>	73,583	5,097	-	(26,799)	51,881
Total comprehensive loss for the period	-	-	-	(258)	(258)
Issued of ordinary shares	7,234	-	-	-	7,234
<b>At 31 December 2017</b>	<u>80,817</u>	<u>5,097</u>	<u>-</u>	<u>(27,057)</u>	<u>58,857</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 FOURTH QUARTER ENDED 31 DECEMBER 2017****Unaudited Condensed Consolidated Statements of Cash Flow**

	<b>12 Months ended 31 December 2017 RM'000</b>	<b>12 Months ended 31 December 2016 RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(118)	1,592
Adjustment for:		
Interest income	(98)	(140)
Interest expense	1,792	1,740
Depreciation of property, plant and equipment	4,251	4,404
Reversal of impairment loss on trade receivables	(735)	(1,698)
(Reversal)/impairment loss on other receivables	(3)	37
Inventories written off	13	105
Gain on disposal of associate	-	(3,565)
Share of loss of associate	-	321
Property, plant and equipment written off	-	1
Operating profit before working capital changes	<u>5,102</u>	<u>2,797</u>
Increase in inventories	(3,584)	(2,234)
(Increase)/Decrease in trade and other receivables	(4,732)	1,255
Decrease/ (Increase) in other assets	468	(527)
Increase in other current assets	(3,245)	(867)
Increase in trade and other payables	5,393	3,734
Decrease in other current liabilities	-	(1,105)
Cash (used in) / generated from operations	<u>(598)</u>	<u>3,053</u>
Taxation paid, net of refund	(14)	(67)
Interest received	98	140
Interest paid	(1,792)	(1,740)
Net cash (used in)/ generated from operating activities	<u>(2,306)</u>	<u>1,386</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of associate	-	5,000
Acquisition of property, plant and equipment	(4,783)	(2,164)
Acquisition of subsidiary (Note 20)	(5,265)	-
Net cash (used in)/generated from investing activities	<u>(10,048)</u>	<u>2,836</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	3,000	-
Proceeds from borrowings	3,154	8,795
Fixed deposits pledged with a bank	(13)	(14)
Repayment of borrowings	(3,315)	(4,077)
Net cash from financing activities	<u>2,826</u>	<u>4,704</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(9,528)</u>	<u>8,926</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>4,585</u>	<u>14,113</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits, cash and bank balances	5,125	14,476
Bank overdraft (included within short term borrowings in Note 23)	(164)	-
Less: Fixed deposit pledged	(376)	(363)
	<u>4,585</u>	<u>14,113</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 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.

Full or modified retrospective application of MFRS 15: Revenue from Contracts with Customers is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group and the Company are currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

**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 FOURTH QUARTER ENDED 31 DECEMBER 2017****NOTES (cont'd)****4. Segmental information****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>
<b>Segment Results</b>					
Results	771	(23)	611	(7)	1,352
Finance costs	(467)	-	-	-	(467)
Share of results of an associate					-
Profit before tax					<u>885</u>
Income tax income					<u>(140)</u>
Profit after tax					<u>745</u>
<b>Other information</b>					
Interest income	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>

**Results for 3 months ended 31 December 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	15,348	-	183	-	15,531
Add/(Less): Inter-segment (return)/sales	(47)	-	-	-	(47)
External revenue	<u>15,301</u>	<u>-</u>	<u>183</u>	<u>-</u>	<u>15,484</u>

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017****NOTES (cont'd)****4. Segmental information (cont'd)****Results for 3 months ended 31 December 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	4,202	1,978	(1,814)	(6)	4,360
Finance costs	(475)	-	-	-	(475)
Share of results of an associate					(59)
Profit before tax					3,826
Income tax income					-
Profit after tax					<u>3,826</u>
<b>Other information</b>					
Interest income	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75</u>

**Results for 12 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	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	1,077	(31)	636	(8)	1,674
Finance costs	(1,792)	-	-	-	(1,792)
Share of results of an associate					-
Loss before tax					(118)
Income tax expense					(140)
Loss after tax					<u>(258)</u>
<b>Other information</b>					
Interest income	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98</u>

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017****NOTES (cont'd)****4. Segmental information (cont'd)****Results for 12 months ended 31 December 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 Revenue</b>					
Total revenue including inter-segment sales	56,891	-	183	-	57,074
Less: Inter-segment sales	<u>(47)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47)</u>
External revenue	<u>56,844</u>	<u>-</u>	<u>183</u>	<u>-</u>	<u>57,027</u>
<b>Segment Results</b>					
Results	3,869	1,953	(2,162)	(7)	3,653
Finance costs	(1,740)	-	-	-	(1,740)
Share of results of an associate					<u>(321)</u>
Profit before tax					1,592
Income tax expense					<u>-</u>
Profit after tax					<u>1,592</u>
<b>Other information</b>					
Interest income	<u>139</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>140</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 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 December 2017.

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

During the quarter and financial year ended 31 December 2017, the Group acquired Property, Plant and Equipment ("PPE") with an aggregate cost of RM637,357 (4<sup>th</sup> Quarter 31 December 2016: RM1,479,442) and 4,783,014 (31 December 2016: RM2,163,250). There was no PPE disposed off by the Group for the quarter and financial year ended 31 December 2017 & 2016.

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</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 Construction (Sarawak) Sdn. Bhd.	-	-	-	10
-Zecon Engineering and Construction Sdn. Bhd.	-	-	-	10
-Zecon Berhad	137	305	190	305
-Petra Jaya Properties Sdn. Bhd.	-	19	145	388
-Sego Holdings Sdn Bhd	-	82	-	157
-Rekaruang Sdn. Bhd	-	-	-	706
-Oricon Sdn Bhd	44	-	46	-
<b>Expenditure</b>				
Insurance premium paid to:				
Transnational Insurance Brokers (M) Sdn. Bhd.	161	141	376	294
Management fees paid to Santubong Suites Sdn. Bhd.	8	10	37	39
Rental paid to Reignvest Corporation Sdn Bhd.	180	180	720	720
Purchase of roofing construction material from Super Glory Sdn Bhd.	98	-	175	-
Airfare ticket paid to Ik Chin Travel Service Sdn Bhd	18	-	18	-

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

## **INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

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

#### **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 wholly owned subsidiary of the Company. On 3 July 2017, consideration shares were issued to the Sellers pursuant to the SSA which marks the completion of CGSB acquisition.

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

	<b>As At 31.12.2017 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	22	2,729
Approved but not contracted for	2,707	1,949
	<u>2,729</u>	<u>4,678</u>
	=====	=====

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

	<b>As At 31.12.2017 RM'000</b>	<b>As At 31.12.2016 RM'000</b>
Corporate guarantee given to bank for credit facilities granted to a subsidiary	23,594	23,721
	<u>23,594</u>	<u>23,721</u>
	=====	=====

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

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2017**

**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 increased by 37% from RM15.5 million in the last quarter of 2016 to RM21.3 million in the last quarter of 2017. Higher revenue primarily due to roll out of the Pan Borneo Highway projects from the Manufacturing division. The construction division also reported revenue of RM4.5 million which was derived from the newly acquired subsidiary. A lower profit before tax of RM0.885 million was reported for this quarter as compared to a profit before tax of RM3.826 million posted in the corresponding quarter last year mainly attributed to the extraordinary charge off in the last quarter of last year such as the gain on disposal of associate amounting to RM3.565 million.

On a year-to-date basis, the Group reported revenue of RM68.8 million in year 2017, as compared to RM57 million last year representing an increase of 21%. The manufacturing division being the key driver and largest contributor to the Group's revenue, reported revenue of about RM61 million and RM56.9 million for the year ended 31 December 2017 and 31 December 2016 respectively. A loss before tax of RM118,000 was recorded as compared to a profit before tax of RM1.592 million last year.

The construction division has reported a revenue of RM7.3 million which contributed profit before tax of RM0.636 million mainly derived from the newly acquired subsidiary namely Carlton Gardens Sdn Bhd.

The net assets of the Group as at 31 December 2017 stood at RM59 million which translates to RM0.69 net assets value per share.

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

The Group registered a profit before tax of RM0.885 million from a revenue of RM21.3 million for the current quarter as compared to a loss before tax of RM0.386 million from a revenue of RM17.9 million in the preceding quarter. Higher revenue and gross profit coupled with the net reversal of impairment loss on trade receivables amounting to RM733,000 reported in the fourth quarter this year have contributed to the profit before tax as compared to loss before tax reported in the preceding quarter.

**18 Prospects for the next year**

The Malaysian economy is expected to achieve moderate growth in 2018. 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.

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017****NOTES (cont'd)****19. (a) Variance of actual profit from forecast profit**

Not applicable

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

Not applicable

**20. Acquisition of subsidiary**

On 03 July 2017, the Group acquired 100% equity interest in Carlton Gardens Sdn Bhd ("CGSB"), a company incorporated in Malaysia. The principal activities of the Company are to engage in business of engineering and construction, project and construction management.

	<b>RM'000</b>
Fair Value of net identifiable assets and liabilities acquired	3,852
Goodwill on acquisition	5,648
Total purchase consideration	<u>9,500</u>
Less: purchase consideration satisfied by issuance of ordinary shares	<u>(4,234)</u>
Purchase consideration satisfied by cash	5,266
Less: Cash of CGSB	<u>(1)</u>
Net cash flow on acquisition	<u>5,265</u>

**21. Income tax (income)/ expense**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax	116	-	116	-
Underprovision of tax in prior year	24	-	24	-
	<u>140</u>	<u>-</u>	<u>140</u>	<u>-</u>
Deferred tax	-	-	-	-
Total income tax (income)/ expense	<u>140</u>	<u>-</u>	<u>140</u>	<u>-</u>

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017****NOTES (cont'd)****22. 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 announced by the Company but pending implementation. On 3 November 2017, 5,000,000 private placement shares were issued to places at RM0.60 per share and the remaining number of private placement shares stood at 31,397,125 as at 31<sup>st</sup> December 2017.

Description	Proposed utilisation RM'000	Actual utilisation as at 31/12/2017 RM'000	Balance as at 31/12/2017 RM'000	Estimated timeframe for utilisation of proceeds from the date of listing of the Placement Shares
Business expansion	10,000	-	10,000	Within 12 months
Working capital	2,838	2,530	308	Within 12 months
Repayment of bank borrowings	8,000	-	8,000	Within 6 months
Estimated expenses in relation to the Proposals	1,000	470	530	Within 2 months
<b>Total</b>	<b>21,838</b>	<b>3,000</b>	<b>18,838</b>	

**23. Borrowings**

	<b>As at 31.12.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
<b>Short term borrowings</b>		
Secured	13,439	11,051
Unsecured	164	-
	<u>13,603</u>	<u>11,051</u>
<b>Long term borrowings</b>		
Secured	10,227	12,777
	<u>23,830</u>	<u>23,828</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 2017****NOTES (cont'd)****24. Derivatives financial instruments**

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

**25. Dividend payable**

No interim ordinary dividend has been declared for the financial period ended 31 December 2017 (31 December 2016: Nil).

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

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit/(loss) attributable to ordinary equity holders of the Company	<u>745</u>	<u>3,826</u>	<u>(258)</u>	<u>1,592</u>
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Weighted average number of ordinary shares in issue	<u>85,882,500</u>	<u>73,582,500</u>	<u>85,882,500</u>	<u>73,582,500</u>
	<b>3 months ended</b>	<b>12 months ended</b>	<b>3 months ended</b>	<b>12 months ended</b>
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic profit/(loss) per share for profit (loss) for the period	<u>0.87</u>	<u>5.20</u>	<u>(0.30)</u>	<u>2.16</u>

There is no dilution in its profit/(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.

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

### **INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

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

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

	<b>As at 31.12.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Total accumulated losses		
- Realised	(28,534)	(27,432)
- Unrealised	-	-
	<hr/>	<hr/>
	(28,534)	(27,432)
Consolidation adjustments	1,477	633
Total Group accumulated losses as per consolidated accounts	<hr/> <hr/>	<hr/> <hr/>
	(27,057)	(26,799)

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.

#### **28. 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 17<sup>th</sup> July 2017. Millennium Crest has settled RM500,000 in the last quarter this year which resulted in the reversal of impairment loss on trade receivables. The Company has received The remaining outstanding principal balance of RM1,500,000 will be settled by July 2018.

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2017**

**NOTES (cont'd)**

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

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

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property, plant and Equipment ("PPE")	1,149	1,052	4,251	4,404
PPE written off	-	-	-	1
Impairment/(Reversal) of loss on trade receivables	(733)	(1,556)	(735)	(1,698)
Impairment/(Reversal) of loss on other receivables	3	37	(3)	37
Interest expense	467	475	1,792	1,740
Interest income	(21)	(75)	(98)	(140)
Inventories written off	12	113	13	105
Share of loss of associate	-	59	-	321
Gain on disposal of associate	-	(3,565)	-	(3,565)

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**30. 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 28 February 2018.