

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019****Unaudited Condensed Consolidated Statement of Comprehensive Income**

		3 months ended 30 June 2019	3 months ended 30 June 2018	6 months ended 30 June 2019	6 months ended 30 June 2018
	Note	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Continuing Operations</b>					
Revenue	4	17,864	16,102	35,300	37,523
Cost of sales		<u>(14,192)</u>	<u>(13,281)</u>	<u>(28,504)</u>	<u>(31,012)</u>
<b>Gross profit</b>		<b>3,672</b>	<b>2,821</b>	<b>6,796</b>	<b>6,511</b>
Other income/ (expense)		51	(84)	3,206	266
Administrative expenses		(1,660)	(7,380)	(4,132)	(9,045)
Selling and marketing expenses		<u>(1,752)</u>	<u>(1,631)</u>	<u>(3,439)</u>	<u>(3,359)</u>
<b>Operating profit/(loss)</b>		<b>311</b>	<b>(6,274)</b>	<b>2,431</b>	<b>(5,627)</b>
Finance costs		<u>(422)</u>	<u>(504)</u>	<u>(952)</u>	<u>(938)</u>
<b>(Loss)/profit before tax</b>		<b>(111)</b>	<b>(6,778)</b>	<b>1,479</b>	<b>(6,565)</b>
Income tax expense	20	-	-	-	-
<b>(Loss)/profit for the period attributable to equity holders of the Company</b>		<b>(111)</b>	<b>(6,778)</b>	<b>1,479</b>	<b>(6,565)</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>(111)</b>	<b>(6,778)</b>	<b>1,479</b>	<b>(6,565)</b>
<b>(Loss)/profit per share attributable to equity holders of the Company:</b>					
Basic, for (loss)/profit for the period (sen)	25	<b>(0.13)</b>	<b>(7.89)</b>	<b>1.72</b>	<b>(7.64)</b>
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 SECOND QUARTER ENDED 30 JUNE 2019****Unaudited Condensed Consolidated Statements of Financial Position**

	Note	As At 30 June 2019 (Unaudited) (RM'000)	As At 31 December 2018 (Audited) (RM'000)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	33,964	35,634
Other assets		8,662	7,362
		<u>42,626</u>	<u>42,996</u>
<b>Current assets</b>			
Inventories		24,643	21,756
Trade receivables		20,444	29,995
Other receivables		1,397	754
Other current receivables		877	955
Income tax recoverable		56	83
Deposits, cash & balances		7,223	5,402
		<u>54,640</u>	<u>58,945</u>
<b>TOTAL ASSETS</b>		<u>97,266</u>	<u>101,941</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		85,913	85,913
Accumulated losses		(35,583)	(37,062)
Total equity		<u>50,330</u>	<u>48,851</u>
<b>Non-current liabilities</b>			
Borrowings	22	14,928	16,290
Other payables		163	163
		<u>15,091</u>	<u>16,453</u>
<b>Current liabilities</b>			
Borrowings	22	11,543	10,015
Trade payables		17,170	22,936
Other payables		3,132	3,686
		<u>31,845</u>	<u>36,637</u>
Total liabilities		<u>46,936</u>	<u>53,090</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>97,266</u>	<u>101,941</u>
Net assets per share (RM)		<u>0.59</u>	<u>0.57</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 SECOND QUARTER ENDED 30 JUNE 2019**

**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 2018	85,913	-	-	(27,057)	58,856
Total comprehensive loss for the period	-	-	-	(6,565)	(6,565)
At 30 June 2018	<u>85,913</u>	<u>-</u>	<u>-</u>	<u>(33,622)</u>	<u>52,291</u>
At 1 January 2019	85,913	-	-	(37,062)	48,851
Total comprehensive profit for the period	-	-	-	1,479	1,479
At 30 June 2019	<u>85,913</u>	<u>-</u>	<u>-</u>	<u>(35,583)</u>	<u>50,330</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 SECOND QUARTER ENDED 30 JUNE 2019****Unaudited Condensed Consolidated Statements of Cash Flow**

	6 Months ended 30 June 2019 RM'000	6 Months ended 30 June 2018 RM'000
<b>Cash flows from operating activities</b>		
Profit/ (loss) before tax	1,479	(6,565)
Adjustment for:		
Interest income	(205)	(30)
Interest expense	952	938
Depreciation of property, plant and equipment	1,812	2,409
Reversal of impairment loss on trade receivables	(585)	(302)
Impairment of goodwill	-	5,648
Loss allowance on other receivables	274	-
Waiver of amount due to contract customer	(1,105)	-
Gain from a subsidiary under creditors' voluntary liquidation (Note 26)	(1,046)	-
Operating profit before working capital changes	<u>1,576</u>	<u>2,098</u>
Increase in inventories	(2,887)	(548)
Decrease/(increase) in trade and other receivables	3,754	(367)
(Increase)/decrease in other assets	(1,300)	520
Decrease/(increase) in other current assets	1,178	(2,278)
Increase in trade and other payables	462	1,301
Decrease in fixed deposit pledged to bank	-	2
Cash generated from operations	<u>2,783</u>	<u>728</u>
Taxation paid, net of refund	(2)	16
Interest received	205	30
Interest paid	(952)	(938)
Net cash generated from/(used in) operating activities	<u>2,034</u>	<u>(164)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(352)	(580)
Net cash outflows from a subsidiary under creditors' voluntary liquidation	(63)	-
Net cash used in investing activities	<u>(415)</u>	<u>(580)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	5,282	7,000
Repayment of borrowings	(4,771)	(1,409)
Additional finance under finance lease	-	614
Repayment of obligations under finance lease	(215)	(302)
Net cash from financing activities	<u>296</u>	<u>5,903</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,915</u>	<u>5,159</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>4,925</u>	<u>4,585</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>6,840</u>	<u>9,744</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	7,223	10,200
Bank overdraft (included within short term borrowings in Note 22)	-	(82)
Less: Fixed deposit pledged	(383)	(374)
	<u>6,840</u>	<u>9,744</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 SECOND QUARTER ENDED 30 JUNE 2019**

**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 2018. 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 2018.

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 2018 except for the adoption of the following with effect from 1 January 2019:

Annual improvements to MFRS Standards 2015-2017 Cycle:

(i) Amendments to MFRS 3: Business Combinations

(ii) Amendments to MFRS 11: Joint Arrangements

(iii) Amendments to MFRS 112: Income Taxes

(iv) Amendments to MFRS 123: Borrowing Costs

IC Interpretation 23: Uncertainty over Income Tax Treatment

MFRS 16: Leases

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendment to MFRS 119: Employee Benefits Plan Amendment, Curtailment or Settlement

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 101 and MFRS 108: Definition of Material

Revised Conceptual Framework for Financial Reporting

MFRS 17: Insurance Contracts

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Deferred

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

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019****NOTES (cont'd)****3. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2018 was not qualified.

**4. Segmental information****Results for 3 months ended 30 June 2019**

	<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	17,798	-	176	-	17,974
Less: Inter-segment sales	(110)	-	-	-	(110)
External revenue	<u>17,688</u>	<u>-</u>	<u>176</u>	<u>-</u>	<u>17,864</u>
<b>Segment Results</b>					
Results	287	(15)	42	(3)	311
Finance costs	(422)	-	-	-	(422)
Loss before tax					(111)
Income tax expense					-
Loss after tax					<u>(111)</u>
<b>Other information</b>					
Interest income	<u>12</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>13</u>

**Results for 3 months ended 30 June 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	16,023	-	79	-	16,102
Less: Inter-segment sales	-	-	-	-	-
External revenue	<u>16,023</u>	<u>-</u>	<u>79</u>	<u>-</u>	<u>16,102</u>

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD (25583-W)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019****NOTES (cont'd)****4. Segmental information (cont'd)****Results for 3 months ended 30 June 2018 (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	(5,801)	(14)	(459)	-	(6,274)
Finance costs	(504)	-	-	-	(504)
Loss before tax					(6,778)
Income tax expense					-
Loss after tax					(6,778)
<b>Other information</b>					
Interest income	16	-	-	-	16

**Results for 6 months ended 30 June 2019**

	<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	35,230	-	202	-	35,432
Less: Inter-segment sales	(132)	-	-	-	(132)
External revenue	35,098	-	202	-	35,300
<b>Segment Results</b>					
Results	1,371	(25)	1,088	(3)	2,431
Finance costs	(952)	-	-	-	(952)
Profit before tax					1,479
Income tax expense					-
Profit after tax					1,479
<b>Other information</b>					
Interest income	120	-	85	-	205

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
SECOND QUARTER ENDED 30 JUNE 2019**

**NOTES (cont'd)**

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

**Results for 6 months ended 30 June 2018 (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	35,583	-	1,940	-	37,523
Less: Inter-segment sales	-	-	-	-	-
External revenue	<u>35,583</u>	<u>-</u>	<u>1,940</u>	<u>-</u>	<u>37,523</u>
<b>Segment Results</b>					
Results	(5,129)	(25)	(473)	-	(5,627)
Finance costs	(938)	-	-	-	(938)
Loss before tax					<u>(6,565)</u>
Income tax expense					-
Loss after tax					<u>(6,565)</u>
<b>Other information</b>					
Interest income	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</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 30 June 2019 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 Company did not declare or pay any dividend during the quarter and financial period ended 30 June 2019.

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

During the quarter and financial period ended 30 June 2019, the Group acquired Property, Plant and Equipment ("PPE") with an aggregate cost of RM225,569 (2<sup>nd</sup> Quarter 30 June 2018: RM503,159) and RM479,793 (30 June 2018: RM579,668). Net Book Value of PPE disposed/ written off by the Group for the quarter and financial period ended 30 June 2019 was RM Nil (2<sup>nd</sup> Quarter 30 June 2018: RM Nil) and RM 2 (30 June 2018: RM87)



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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**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>6 months ended</b>	
	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2019</b>	<b>30.06.2018</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	-	35	-	146
-Petra Jaya Properties Sdn. Bhd.	70	-	151	-
-Oricon Sdn Bhd	-	94	-	135
-Rekaruang Sdn Bhd	67	-	68	-
<b>Expenditure</b>				
Insurance premium paid to Transnational Insurance Brokers (M) Sdn. Bhd.	172	82	206	112
Rental paid to Reignvest Corporation Sdn. Bhd.	180	180	360	360
Purchase of roofing construction Material from Super Glory Industries Sdn. Bhd.	9	15	9	27

**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.

**13. Capital commitments**

	<b>As At</b>	<b>As At</b>
	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	484	551
Approved but not contracted for	10,517	10,930
	<u>11,001</u>	<u>11,481</u>

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**NOTES (cont'd)**

**14. Contingent liabilities – Unsecured**

	<b>As At 30.06.2019 RM'000</b>	<b>As At 31.12.2018 RM'000</b>
Corporate guarantee given to bank for credit facilities granted to a subsidiary	26,328	23,037

**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's revenue has increased by 11% or RM1.8 million from RM16.1 million reported in the second quarter of 2018 to RM17.9 million in the second quarter of 2019. Higher revenue was primarily due to higher demand for square piles and hollow core products given rolling out of the Pan Borneo Highway Project and some private projects from its Manufacturing division in the current quarter. The Group has reported a lower loss before tax of RM111,000 as compared to loss before tax of RM6,778,000 posted in the corresponding quarter last year. Higher loss before tax in the corresponding quarter last year mainly due to full impairment of goodwill amounting to RM5,648,000.

On a year-to-date basis, the Group reported revenue of RM35.3 million in the first half of 2019, as compared to RM37.5 million in the first half of last year representing a decrease of 6%. The manufacturing division being the key driver and largest contributor to the Group's revenue, reported revenue of about RM35.2 million and RM35.6 million for the 6 months period ended 30 June 2019 and 30 June 2018 respectively. However, the Group has recorded a profit before tax of RM1,479,000 as compared to loss before tax of RM6,565,000 reported in the same period last year. The profit before tax for the 6 months period ended 30 June 2019 was mainly due to gain from deconsolidation of a subsidiary under creditors' voluntary liquidation and waiver of amount due to contract customer.

The Construction division has contributed a revenue of RM202,000 which reported a profit of RM1,088,000 million for the 6 months period ended 30 June 2019. There was no contribution from the Properties division.

The net assets of the Group as at 30 June 2019 stood at RM50.3 million which translates to RM0.59 net assets value per share.

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

The Group registered a loss before tax of RM111,000 from a revenue of RM17.9 million for the current quarter as compared to a profit before tax of RM1.6 million from a revenue of RM17.4 million in the preceding quarter. The profit before tax in the preceding quarter was mainly due to gain from deconsolidation of a subsidiary under creditors' voluntary liquidation and adjustment for waiver of amount due to contract customer.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**NOTES (cont'd)**

**18. Prospects for the remaining quarters**

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 Pan Borneo Highway Projects and expects significant improvement in its order book from projects announced by the State Government as well as private projects and anticipates better results for the next remaining quarters.

**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>6 months ended</b>	
	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax	-	-	-	-
(Over)/under provision of tax in prior year	-	-	-	-
Deferred tax	-	-	-	-
Total income tax (income)/ expense	-	-	-	-

**21. Corporate Proposals**

The manufacturing division (i.e. SCIB Concrete Manufacturing Sdn Bhd) entered into a Sale and Purchase Agreement (“SPA”) with Reignvest Corporation Sdn Bhd (“Vendor”), a company related to the directors and major shareholders of the group company for the proposed acquisition of a parcel of land together with two units of industrial buildings situated at Sejingkat Industrial Park, Kuching. On 15 July 2019, the Company has received the approval letter from the Land and Survey Department, Kuching division for the transfer of the Property from the Vendor to the Company.

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
SECOND QUARTER ENDED 30 JUNE 2019**

**NOTES (cont'd)**

**22. Borrowings**

	<b>As at 30.06.2019 RM'000</b>	<b>As at 31.12.2018 RM'000</b>
<b>Short term borrowings</b>		
Secured	11,543	9,920
Unsecured	-	95
	<u>11,543</u>	<u>10,015</u>
<b>Long term borrowings</b>		
Secured	14,928	16,290
	<u>26,471</u>	<u>26,305</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 30 June 2019 (30 June 2018: Nil).

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

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2019 RM'000</b>	<b>30.06.2018 RM'000</b>	<b>30.06.2019 RM'000</b>	<b>30.06.2018 RM'000</b>
(Loss)/profit attributable to ordinary equity holders of the Company	<u>(111)</u>	<u>(6,778)</u>	<u>1,479</u>	<u>(6,565)</u>
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2019</b>	<b>30.06.2018</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>

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
SECOND QUARTER ENDED 30 JUNE 2019**

**NOTES (cont'd)**

**25. Basic (loss)/profit per share (cont'd)**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic (loss)/profit per share for (loss)/profit for the period	<u>(0.13)</u>	<u>(7.89)</u>	<u>1.72</u>	<u>(7.64)</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.

**26. Cash flow impact on the liquidation of a subsidiary**

On 11 January 2019, the group liquidated one of its subsidiary companies, Carlton Gardens Sdn Bhd. The effect of the liquidation is as follows:

	<b>RM'000</b>
<b>Net identifiable assets</b>	
Property, plant and equipment	337
Trade receivables	5,172
Other receivables and deposit	293
Prepayment	5
Tax recoverable	29
Cash and cash equivalents	<u>63</u>
	<b>5,899</b>
Trade payables	(6,128)
Other payables and accruals	(654)
Borrowings	<u>(163)</u>
Gain from a subsidiary under creditors' voluntary liquidation	<u><u>(1,046)</u></u>
Proceeds from liquidation	-
Less: Cash and cash equivalents of the subsidiary	<u>(63)</u>
Net cash outflows from a subsidiary under creditors' voluntary liquidation	<u><u>(63)</u></u>

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

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**NOTES (cont'd)**

**27. Material litigation**

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.

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

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

	3 months ended		6 months ended	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
Depreciation of property, plant and equipment (“PPE”)	910	1,203	1,812	2,409
Reversal of impairment loss on trade receivables	-	-	(585)	(302)
Loss allowance on other receivables	1	-	274	-
Impairment of goodwill	-	5,648	-	5,648
Interest expense	422	504	952	938
Interest income	(13)	(16)	(205)	(30)
Waiver of amount due to contract customer	-	-	(1,105)	-
Gain from a subsidiary under creditors’ voluntary liquidation	-	-	(1,046)	-

**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 28 August 2019.