

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No: 197501003884 (25583-W)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

		Individual quarter		Cumulative quarter	
		Quarter ended	Quarter ended	Period ended	Period ended
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Note	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Continuing Operations					
Revenue	4	51,782	17,436	51,782	17,436
Cost of sales		<u>(43,236)</u>	<u>(14,312)</u>	<u>(43,236)</u>	<u>(14,312)</u>
Gross profit		8,546	3,124	8,546	3,124
Other income		99	3,155	99	3,155
Selling and distribution expenses		(1,871)	(1,687)	(1,871)	(1,687)
Administrative expenses		<u>(2,025)</u>	<u>(2,472)</u>	<u>(2,025)</u>	<u>(2,472)</u>
Operating profit		4,749	2,120	4,749	2,120
Finance costs		(473)	(530)	(473)	(530)
Profit before tax		4,276	1,590	4,276	1,590
Income tax expense	20	-	-	-	-
Profit after tax		4,276	1,590	4,276	1,590
Other comprehensive income					
Foreign currency translation differences		125	-	125	-
Total comprehensive income for the period		<u>4,401</u>	<u>1,590</u>	<u>4,401</u>	<u>1,590</u>
Profit after tax attributable to Owners of the Company					
		<u>4,276</u>	<u>1,590</u>	<u>4,276</u>	<u>1,590</u>
Total comprehensive income attributable to Owners of the Company					
		<u>4,401</u>	<u>1,590</u>	<u>4,401</u>	<u>1,590</u>
Earnings per share (sen)					
Basic and diluted	25	<u>4.98</u>	<u>1.85</u>	<u>4.98</u>	<u>1.85</u>

These Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**Unaudited Condensed Consolidated Statements of Financial Position**

	Note	As At 31 March 2020 (Unaudited) (RM'000)	As At 31 December 2019 (Audited) (RM'000)
ASSETS			
Non-current assets			
Property, plant and equipment	4, 9	25,416	26,122
Right-of-use assets	4	17,868	18,078
Other assets		6,190	6,190
		49,474	50,390
Current assets			
Inventories		24,595	24,420
Trade receivables		64,045	30,901
Other receivables, deposits and prepayments		1,507	1,154
Contract assets		1,316	199
Current tax asset		10	10
Fixed deposits with licensed banks		562	562
Cash and bank balances		9,373	8,473
		101,408	65,719
TOTAL ASSETS		150,882	116,109
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Company			
Share capital		85,913	85,913
Foreign exchange translation reserves		125	-
Accumulated losses		(29,636)	(33,912)
Total equity		56,402	52,001
Non-current liabilities			
Other payables		187	187
Bank borrowings	22	18,306	18,868
Lease liabilities		625	732
		19,118	19,787
Current liabilities			
Trade payables		55,149	24,041
Other payables and accruals		1,948	2,418
Contract liabilities		77	37
Amount due to director		1,046	-
Bank borrowings	22	16,721	17,413
Lease liabilities		419	412
Income tax payable		2	-
		75,362	44,321
Total liabilities		94,480	64,108
TOTAL EQUITY AND LIABILITIES		150,882	116,109
Net assets per share (RM)		0.66	0.61

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

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**Unaudited Condensed Consolidated Statements of Changes in Equity**

	←	Attributable to owners of the Company Non-distributable		→
	Share capital	Foreign exchange translation reserves	Accumulated losses	Total equity
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2019	85,913	-	(37,062)	48,851
Profit for the period	-	-	1,590	1,590
At 31 March 2019	<u>85,913</u>	<u>-</u>	<u>(35,472)</u>	<u>50,441</u>
At 1 January 2020	85,913	-	(33,912)	52,001
Profit for the period	-	-	4,276	4,276
Other comprehensive income for the period				
- Foreign currency translation difference for the period	-	125	-	125
Total comprehensive income for the period	<u>-</u>	<u>125</u>	<u>4,276</u>	<u>4,401</u>
At 31 March 2020	<u>85,913</u>	<u>125</u>	<u>(29,636)</u>	<u>56,402</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.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**Unaudited Condensed Consolidated Statements of Cash Flows**

	3 Months ended 31 March 2020 RM'000	3 Months ended 31 March 2019 RM'000
Cash flows from operating activities		
Profit before tax	4,276	1,590
Adjustment for:		
Depreciation of property, plant and equipment	824	786
Depreciation of right-of-use assets	210	116
Impairment loss on other receivables	-	273
Interest expense on lease liabilities	79	176
Interest expenses	394	354
Unrealised gain on foreign exchange	(15)	-
Gain from a subsidiary under Creditors' Voluntary winding up	-	(1,046)
Interest income	(17)	(192)
Waiver of amount due to contract customer	-	(1,105)
Reversal of impairment loss on trade receivables	-	(585)
Operating profit before working capital changes	<u>5,751</u>	<u>367</u>
Increase in inventories	(175)	(441)
(Increase)/decrease in trade and other receivables	(32,824)	3,046
Increase in other assets	-	(1,300)
Decrease in other current assets	-	1,549
Increase in contract assets	(1,117)	-
Increase/(decrease) in trade and other payables	29,980	(92)
Increase in contract liabilities	40	-
Cash generated from operating activities	<u>1,655</u>	<u>3,129</u>
Interest paid	(473)	(530)
Interest received	17	192
Income tax paid	(8)	(18)
Income tax refunded	10	34
Net cash generated from operating activities	<u>1,201</u>	<u>2,807</u>
Cash flows from investing activities		
Net cash outflows from a subsidiary under Creditors' Voluntary winding up	-	(63)
Purchase of property, plant and equipment	(118)	(93)
Purchase of right-of-use assets	-	(33)
Net cash used in investing activities	<u>(118)</u>	<u>(189)</u>
Cash flows from financing activities		
Borrowing from director	1,046	-
Drawdown of revolving credit	1,153	431
Drawdown of bankers' acceptances	2,908	2,322
Repayment of lease liabilities	(100)	(106)
Repayment of term loans	(483)	(384)
Repayment of revolving credit	-	(1,000)
Repayment of bankers' acceptances	(4,832)	(689)
Net cash (used in)/from financing activities	<u>(308)</u>	<u>574</u>
Net increase in cash and cash equivalents	775	3,192
Effects of foreign exchange translation	125	-
Cash and cash equivalents at the beginning of the period	8,473	4,925
Cash and cash equivalents at the end of the period	9,373	8,117
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits, cash and bank balances	9,935	8,500
Bank overdraft (included within short term borrowings in Note 22)	-	-
Less: Fixed deposit pledged	(562)	(383)
	<u>9,373</u>	<u>8,117</u>

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

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020

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 2019. 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 2019.

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 2019 except for the adoption of the following with effect from 1 January 2020:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**NOTES (cont'd)****3. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2019 was not qualified.

4. Segmental information**Results for 3 months ended 31 March 2020**

	Manu- facturing RM'000	Property trading RM'000	Construction/ EPCC RM'000	Others RM'000	Consolidated RM'000
Segment Revenue					
Total revenue including inter-segment sales	15,797	-	35,985	-	51,782
Less: Inter-segment sales	-	-	-	-	-
External revenue	<u>15,797</u>	<u>-</u>	<u>35,985</u>	<u>-</u>	<u>51,782</u>
Segment Results					
Results	(197)	(56)	5,002	-	4,749
Finance costs	(473)	-	-	-	(473)
Profit before tax					<u>4,276</u>
Income tax expense					-
Profit after tax					<u>4,276</u>
Other information					
Interest income	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>

Results for 3 months ended 31 March 2019

	Manu- facturing RM'000	Property trading RM'000	Construction/ EPCC RM'000	Others RM'000	Consolidated RM'000
Segment Revenue					
Total revenue including inter-segment sales	17,432	-	26	-	17,458
(Less): Inter-segment sales	(22)	-	-	-	(22)
External revenue	<u>17,410</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>17,436</u>

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NOTES (cont'd)

4. Segmental information (cont'd)

Results for 3 months ended 31 March 2019 (cont'd)

	Manu- facturing RM'000	Property trading RM'000	Construction/ EPCC RM'000	Others RM'000	Consolidated RM'000
Segment Results					
Results	1,084	(10)	1,046	-	2,120
Finance costs	(530)	-	-	-	(530)
Profit before tax					1,590
Income tax expense					-
Profit after tax					1,590
Other information					
Interest income	108	-	84	-	192

Geographical information

	Revenue		Non-Current Assets	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Malaysia	20,007	17,436	43,284	34,649
Indonesia	1,751	-	-	-
Oman	12,455	-	-	-
Qatar	17,569	-	-	-
	51,782	17,436	43,284	34,649

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 2020 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.

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NOTES (cont'd)

8. Dividend

The Group did not declare or pay any dividend during the quarter and financial period ended 31 March 2020.

9. Acquisitions and disposals of property, plant and equipment

During the quarter ended 31 March 2020, the Group acquired Property, Plant and Equipment (“PPE”) with an aggregate cost of RM117,876 (1st Quarter 31 March 2019: RM254,224). Net Book Value of PPE written off by the Group for the quarter ended 31 March 2020 was Nil (31 March 2019: RM2).

10. Related party disclosures

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

	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Income				
Sale of construction materials to:				
-Rekaruang Sdn. Bhd.	-	1	-	1
-Petra Jaya Properties Sdn. Bhd.	-	81	-	81
Expenditure				
Insurance premium paid to Transnational Insurance Brokers (M) Sdn. Bhd.	-	34	-	34
Rental paid to Reignvest Corporation Sdn. Bhd.	-	180	-	180

The above disclosure of related party transactions was prepared in accordance with MFRS 124.

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.

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NOTES (cont'd)

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

	As At 31.03.2020 RM'000	As At 31.12.2019 RM'000
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	64	98
Approved but not contracted for	2,869	2,953
	<u>2,933</u>	<u>3,051</u>
	=====	=====

14. Contingent liabilities – Unsecured

	As At 31.03.2020 RM'000	As At 31.12.2019 RM'000
Corporate guarantee given to bank for credit facilities granted to a subsidiary	35,986	37,314
	<u>35,986</u>	<u>37,314</u>
	=====	=====

15. Subsequent event

The outbreak of coronavirus disease (COVID-19) has triggered the World Health Organisation (WHO) to declare it as a pandemic on 11 March 2020. As the outbreak is unprecedented and has not been fully contained, the Group is currently assessing its ongoing developments closely and reviewing our internal counteractions prudently. The potential impact might be seen across the Group's business ecosystem, including operational processes, manpower capacity, supply chain, and distribution network as we implement Standard Operating Procedures (SOP) required for construction as well as manufacturing sectors imposed by governments. The Group will continue to monitor the COVID-19 condition and are taking steps to safeguard the community's health as well as the financial performance of the Group.

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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 reported revenue of RM51.8 million in the first quarter of 2020, as compared to RM17.4 million in the corresponding quarter of 2019, representing an increase of 198% or RM34.4 million. The significant increase of revenue recognized for current quarter was contributed by construction contract revenue generated from overseas and Malaysia. The Group registered a profit before tax (“PBT”) of RM4.3 million as compared to PBT of RM1.6 million posted in the corresponding quarter last year. The improvement in the PBT was principally derived from the higher revenue growth in the construction contract.

The construction division contributed revenue of RM36 million whereas the manufacturing division recorded revenue of RM15.8 million.

The net assets of the Group as at 31 March 2020 stood at RM56 million which translates to RM0.66 net assets value per share.

17. Variation of results against preceding quarter

The Group registered a profit before tax of RM4.3 million from a revenue of RM51.8 million for the current quarter as compared to a profit before tax of RM833,000 from a revenue of RM29 million in the preceding quarter. A higher profit before tax in the current quarter was mainly attributable to the increase of profit margin in the construction contract.

18. Prospects for the remaining quarters

Under the backdrop of COVID-19, Malaysia registered 0.7% year-on-year growth in terms of gross domestic product (“GDP”) for first quarter this year. This came as a surprise to most economists and analysts who have forecasted an economy contraction. Nonetheless, GDP in second quarter is projected to be heavily hit by the movement control measures throughout the three-month period and subsequently, to take a breath of recovery in second half of the year following the improving of domestic industrial production and consumption expenditure.

Considering the whole year performance, the International Monetary Fund (IMF) is giving Malaysia’s GDP an estimation of -1.7% for 2020 while 9.0% for 2021 on the premises that COVID-19 will be fading out in second half this year accompanied with the gradual unwind of containment efforts.

In the latest release of World Economic Outlook, the GDP for Middle East and Central Asia is predicted to record at -2.8% in 2020 and rebound at +4.0% in 2021. In the region, UAE, Qatar and Oman are projected to have +3.3%, +5.0% and +3.0% growth respectively in 2021.

From the perspective of our Group’s exposure, Malaysia government has relentless introduced various governance and regulatory initiatives towards the goal of propelling forward the nation’s growth, such as the RM260 billion worth of PRIHATIN Economic Stimulus and PENJANA Economic Recovery Plan as well as 2.0% adjusted OPR.

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NOTES (cont'd)

18. Prospects for the remaining quarters (cont'd)

In Sarawak, the state-funded people-centric projects are awaited to be rolling out in stages, including the notable Second Trunk Road, Coastal Road, Project Rakyat, Water Supply Grid Programme and others. Banking on strong foothold established in the state, the Group is hopeful of tapping its localized advantage to provide supports for the development projects.

Outside of Malaysia, we are eyeing to broaden our markets in Indonesia, Oman, Qatar and UAE based on the management's experiences and networks. There are several construction jobs opportunities have been sighted not only from neighbouring country following the relocation of capital from Jakarta to Kalimantan, but also the infrastructure requirements from Qatar for hosting the FIFA World Cup and from UAE for organising the World Expo, as well as the development of Special Economic Zone which has attracted the international investment flow into Oman.

Going forward, the Group will focus on three key strategies to drive sustainable value creation: (i) expanding into potential geographical markets; (ii) strengthening in-house construction capabilities; (iii) exploring supply chain partnerships or technology enabler that can improve efficiency and productivity.

At present, the Group has achieved RM1.1 billion order book of works which can be translated into earnings for this and next financial years. In view of the challenges posed by COVID-19 pandemic, mitigation plans have been put in place for contracts in hand in order to minimise the project progress disruptions from the aspects of operational process, manpower capacity, supply chain, and distribution networks, in line with the industry required SOP.

Riding on the synergistic manufacturing and construction expertise, the Group is holding a cautiously optimistic view with its prospects and on track to achieve the internal order book target of RM1.5 billion for 2020.

Sources:

1. International Monetary Fund: World Economic Outlook. Published in April 2020
2. <https://themalaysianreserve.com/2020/06/01/sharp-contraction-in-2q-gdp-to-push-malaysia-into-recession/>
3. <https://www.newsarawaktribune.com.my/accelerating-development-for-the-wellbeing-of-all-sarawakians/>

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

Not applicable

(b) Shortfall in the profit guarantee

Not applicable

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NOTES (cont'd)

20. Income tax expense

	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Current tax	-	-	-	-
(Over)/underprovision of tax in prior year	-	-	-	-
Deferred tax	-	-	-	-
Total income tax expense	-	-	-	-

21. Corporate Proposals

On 7 April 2020, the Company announced that SCIB proposes to undertake the following corporate exercises:

1. proposed recurrent related party transactions of a revenue and trading nature entered into between SCIB and its subsidiaries and Serba Dinamik Holdings Berhad and its subsidiaries ("Proposed RRPTs"); and
2. proposed private placement of up to 36,750,000 new ordinary shares in SCIB ("SCIB Share(s)"), representing up to approximately 30.0% of the enlarged total number of issued SCIB Shares (approximately 42.8% of the total number of issued shares of SCIB) ("Proposed Private Placement").

(Collectively, the "Proposals").

Bursa Malaysia Securities Berhad ("Bursa Securities") had on 15 May 2020, resolved to approve the listing and quotation of up to 36,750,000 new SCIB Shares to be issued pursuant to the Proposed Private Placement, subject to terms and conditions which includes obtaining the shareholders' approval.

The Company has received the approval from the shareholders of SCIB for the Proposals at the Extraordinary General Meeting held on 3 June 2020 which took immediate effect.

Further, the Board of directors of SCIB, save for the Interested Directors, had on 3 June 2020 resolved to fix the issue price for the Placement Shares at RM1.820 per Placement Share.

The issue price of RM1.820 per Placement Share represents a discount of approximately 9.81% to the 5-day volume weighted average market price ("VWAP") of SCIB Shares up to and including 2 June 2020, being the last traded day of SCIB Shares immediately preceding the price-fixing date, of RM2.018 per SCIB Share.

On 16 June 2020, 36,750,000 shares issued pursuant to the Private Placement were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad, which marks the completion of the corporate exercise.

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	As at 31.03.2020 RM'000	As at 31.12.2019 RM'000
Short term borrowings		
Secured	16,721	17,413
Unsecured	-	-
	<u>16,721</u>	<u>17,413</u>
Long term borrowings		
Secured	18,306	18,868
	<u>35,027</u>	<u>36,281</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 2020 (31 March 2019: Nil).

25. Basic profit per share

	3 months ended		3 months ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Profit attributable to owners of the Company	<u>4,276</u>	<u>1,590</u>	<u>4,276</u>	<u>1,590</u>
	As at	As at	As at	As at
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
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>
	3 months ended		3 months ended	
	31.03.2020 Sen	31.03.2019 Sen	31.03.2020 Sen	31.03.2019 Sen
Basic earnings per share	<u>4.98</u>	<u>1.85</u>	<u>4.98</u>	<u>1.85</u>

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020

NOTES (cont'd)

26. 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-Parte Order restraining the Defendants from selling, transferring or other dealing with 7,121,000 shares in the Plaintiff.

Subsequently, SCIB instructed its solicitors to issue a Further Notice of Arbitration to the Defendants on 12 December 2019 together with an Offer of Settlement to return the Plaintiff’s remaining shares held by the Defendants of 6,878,500 shares together with an additional sum of RM2,000,000 to be settled in cash. To-date, the Plaintiff’s solicitors have not received a reply and a letter of reminder was issued to Defendants’ solicitors on 3 February 2020.

There is no material development of the case so far which requires announcement to Bursa.

27. Additional disclosures on profit for the period

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

	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM’000	RM’000	RM’000	RM’000
Depreciation of property, plant and equipment	824	786	824	786
Depreciation of right-of-use assets	210	116	210	116
Impairment loss on other receivables	-	273	-	273
Interest expense on lease liabilities	79	176	79	176
Interest expense	394	354	394	354
Unrealised gain on foreign exchange	(15)	-	(15)	-
Gain from a subsidiary under Creditors’ Voluntary winding up	-	(1,046)	-	(1,046)
Interest income	(17)	(192)	(17)	(192)
Waiver of amount due to contract customer	-	(1,105)	-	(1,105)
Reversal of impairment loss on trade receivables	-	(585)	-	(585)

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 17 June 2020.