

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No. 197501003884 (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

| | Note | Individual Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|--|------|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | | 30.09.2024 RM'000 | 30.09.2023 RM'000 | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| Continuing operations | | | | | |
| Revenue | 4 | 45,145 | 39,403 | 45,145 | 39,403 |
| Cost of sales | | (35,319) | (31,407) | (35,319) | (31,407) |
| Gross profit | | 9,826 | 7,996 | 9,826 | 7,996 |
| Other income | | 234 | 173 | 234 | 173 |
| Selling and distribution expenses | | (2,251) | (1,976) | (2,251) | (1,976) |
| Administrative expenses | | (7,008) | (3,676) | (7,008) | (3,676) |
| Net impairment gains on financial assets and contract assets | | 40 | 6 | 40 | 6 |
| Operating profit | | 841 | 2,523 | 841 | 2,523 |
| Finance income | | 88 | 116 | 88 | 116 |
| Finance costs | | (788) | (519) | (788) | (519) |
| Net finance costs | | (700) | (403) | (700) | (403) |
| Profit before tax | | 141 | 2,120 | 141 | 2,120 |
| Income tax expense | 21 | (1,200) | (1,118) | (1,200) | (1,118) |
| (Loss)/Profit after tax | | (1,059) | 1,002 | (1,059) | 1,002 |
| Other comprehensive (expenses)/income: | | | | | |
| <u>Item that will not be reclassified subsequently to profit or loss</u> | | | | | |
| Revaluation of land and buildings | | - | 52,322 | - | 52,322 |
| Fair value changes of equity investment | | (1,619) | - | (1,619) | - |
| | | (1,619) | 52,322 | (1,619) | 52,322 |
| <u>Item that will be reclassified subsequently to profit or loss</u> | | | | | |
| Foreign currency translation differences | | 1,889 | (79) | 1,889 | (79) |
| Total other comprehensive income | | 270 | 52,243 | 270 | 52,243 |
| Total comprehensive (expenses)/income for the period | | (789) | 53,245 | (789) | 53,245 |
| (Loss)/Profit attributable to: | | | | | |
| Owners of the Company | 26 | (1,148) | 926 | (1,148) | 926 |
| Non-controlling interests | | 89 | 76 | 89 | 76 |
| | | (1,059) | 1,002 | (1,059) | 1,002 |
| Total comprehensive (expenses)/income attributable to: | | | | | |
| Owners of the Company | | (878) | 53,169 | (878) | 53,169 |
| Non-controlling interests | | 89 | 76 | 89 | 76 |
| | | (789) | 53,245 | (789) | 53,245 |
| (Loss)/Earnings per share | | | | | |
| Basic and diluted (sen) | 26 | (0.17) | 0.14 | (0.17) | 0.14 |

These Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No. 197501003884 (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statement of Financial Position**

| | Note | Unaudited As at 30.09.2024 RM'000 | Audited As at 30.06.2024 RM'000 |
|--|------|--|--|
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Property, plant and equipment | 4 | 55,190 | 56,701 |
| Investment properties | 4 | 2,200 | 2,236 |
| Right-of-use assets | 4 | 78,782 | 78,479 |
| Other investment | | 772 | - |
| | | <u>136,944</u> | <u>137,416</u> |
| <u>Current assets</u> | | | |
| Inventories | | 23,623 | 23,030 |
| Trade receivables | | 47,021 | 40,279 |
| Other receivables, deposits and prepayments | | 34,173 | 33,348 |
| Contract assets | | 12,517 | 15,752 |
| Current tax assets | | 465 | 407 |
| Fixed deposits with licensed banks | | 10,881 | 10,808 |
| Cash and bank balances | | 18,536 | 24,308 |
| | | <u>147,216</u> | <u>147,932</u> |
| TOTAL ASSETS | | <u>284,160</u> | <u>285,348</u> |
| EQUITY AND LIABILITIES | | | |
| Share capital | | 177,560 | 177,560 |
| Foreign currency translation reserve | | 106 | (1,783) |
| Revaluation reserve | | 52,978 | 53,418 |
| Fair value reserve | | (1,619) | - |
| Accumulated losses | | (78,922) | (78,214) |
| Equity attributable to owners of the Company | | <u>150,103</u> | <u>150,981</u> |
| Non-controlling interests | | 1,298 | 1,209 |
| Total equity | | <u>151,401</u> | <u>152,190</u> |
| <u>Non-current liabilities</u> | | | |
| Other payables | | 11,835 | 11,835 |
| Loans and borrowings | 23 | 22,104 | 22,613 |
| Lease liabilities | | 255 | 282 |
| Deferred tax liabilities | | 16,483 | 16,622 |
| | | <u>50,677</u> | <u>51,352</u> |
| <u>Current liabilities</u> | | | |
| Trade payables | | 36,720 | 32,198 |
| Other payables and accruals | | 11,808 | 14,026 |
| Contract liabilities | | 752 | 532 |
| Loans and borrowings | 23 | 32,415 | 34,770 |
| Lease liabilities | | 125 | 130 |
| Current tax liabilities | | 262 | 150 |
| | | <u>82,082</u> | <u>81,806</u> |
| Total liabilities | | <u>132,759</u> | <u>133,158</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>284,160</u> | <u>285,348</u> |
| Net assets per share attributable to owners of the Company (RM) | | <u>0.23</u> | <u>0.23</u> |

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2024.

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No. 197501003884 (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statement of Changes in Equity**

| | | ←-----Attributable to owners of the Company-----→ | | | | | | | |
|--|------|---|---|------------------------|-----------------------|------------------------|---|----------------------------------|-----------------------|
| | | ←-----Non-distributable-----→ | | | | | | | |
| | | Share capital | Foreign exchange translation reserve | Revaluation reserve | Fair value reserve | Accumulated losses | Total equity attributable to owners of the Company | Non- controlling interests | Total equity |
| <u>3 months ended 30.09.2024</u> | Note | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 01.07.2024 | | 177,560 | (1,783) | 53,418 | - | (78,214) | 150,981 | 1,209 | 152,190 |
| Loss after tax for the period | 26 | - | - | - | - | (1,148) | (1,148) | 89 | (1,059) |
| Revaluation of land and buildings | | - | - | - | - | - | - | - | - |
| Fair value changes of equity investment | | - | - | - | (1,619) | - | (1,619) | - | (1,619) |
| Foreign currency translation differences | | - | 1,889 | - | - | - | 1,889 | - | 1,889 |
| Total comprehensive expenses for the period | | - | 1,889 | - | (1,619) | (1,148) | (878) | 89 | (789) |
| Realisation of revaluation reserve | | - | - | (440) | - | 440 | - | - | - |
| Transactions with owners of the Company: | | | | | | | | | |
| Issue of ordinary shares | | - | - | - | - | - | - | - | - |
| Balance as at 30.09.2024 | | <u>177,560</u> | <u>106</u> | <u>52,978</u> | <u>(1,619)</u> | <u>(78,922)</u> | <u>150,103</u> | <u>1,298</u> | <u>151,401</u> |

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2024.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statement of Changes in Equity (cont'd)**

| | Note | Attributable to owners of the Company | | | | Total equity attributable to owners of the Company RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|--|------|---------------------------------------|---|-------------------------------|------------------------------|--|-------------------------------------|------------------------|
| | | Share capital RM'000 | Non-distributable Foreign exchange translation reserve RM'000 | Revaluation reserve RM'000 | Accumulated losses RM'000 | | | |
| 3 months ended 30.09.2023 | | | | | | | | |
| Balance as at 01.07.2023 | | 166,259 | (1,621) | - | (81,980) | 82,658 | 865 | 83,523 |
| Profit after tax for the period | 26 | - | - | - | 926 | 926 | 76 | 1,002 |
| Revaluation of land and buildings | | - | - | 52,322 | - | 52,322 | - | 52,322 |
| Foreign currency translation differences | | - | (79) | - | - | (79) | - | (79) |
| Total comprehensive income for the period | | - | (79) | 52,322 | 926 | 53,169 | 76 | 53,245 |
| Effect of a change in accounting policy | | - | - | 2,182 | (2,182) | - | - | - |
| Realisation of revaluation reserve | | - | - | (146) | 146 | - | - | - |
| Transactions with owners of the Company: | | | | | | | | |
| Issue of ordinary shares | | - | - | - | - | - | - | - |
| Balance as at 30.09.2023 | | 166,259 | (1,700) | 54,358 | (83,090) | 135,827 | 941 | 136,768 |

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2024.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statement of Cash Flows**

| | Note | 3 months ended | |
|---|------|----------------------|----------------------|
| | | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| Cash flows from operating activities | | | |
| Profit before tax | | 141 | 2,120 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment and right-of-use assets | 28 | 1,962 | 1,454 |
| Depreciation of investment properties | 28 | 36 | 36 |
| Finance costs | 28 | 788 | 519 |
| Inventories written down | 28 | 1 | - |
| Inventories written off | 28 | - | 1 |
| Gain on disposal of property, plant and equipment and right- of-use assets | 28 | (2) | - |
| Property, plant and equipment written off | 28 | 1 | - |
| Finance income | 28 | (88) | (116) |
| Reversal of impairment loss on trade receivables | 28 | - | (3) |
| Reversal of impairment loss on other receivables | 28 | (40) | (3) |
| Reversal of inventories written off | 28 | (2) | - |
| Unrealised loss/(gain) on foreign exchange | 28 | 1,922 | (81) |
| Operating profit before working capital changes | | <u>4,719</u> | <u>3,927</u> |
| (Increase)/Decrease in inventories | | (592) | 2,634 |
| Increase in trade and other receivables | | (7,527) | (10,764) |
| Decrease/(Increase) in contract assets | | 3,235 | (1,388) |
| Increase/(Decrease) in trade and other payables | | 511 | (468) |
| Increase/(Decrease) in contract liabilities | | <u>220</u> | <u>(31)</u> |
| Cash from/(used in) operating activities | | <u>566</u> | <u>(6,090)</u> |
| Interest paid | | (788) | (519) |
| Interest received | | 88 | 116 |
| Income tax paid | | (1,309) | (427) |
| Income tax refunded | | - | 135 |
| Net cash used in operating activities | | <u>(1,443)</u> | <u>(6,785)</u> |

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statement of Cash Flows (cont'd)**

| | Note | 3 months ended | |
|---|------|----------------------|----------------------|
| | | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| Cash flows from investing activities | | | |
| Proceeds from disposal of property, plant and equipment and right-of-use assets | | 2 | - |
| Acquisition of property, plant and equipment and right-of-use assets | 9 | (755) | (1,896) |
| Purchase of other investment | | (2,391) | - |
| Decrease/(Increase) in fixed deposits pledged to licensed banks | | 5,320 | (75) |
| Net cash from/(used in) investing activities | | 2,176 | (1,971) |
| Cash flows from financing activities | | | |
| Net proceeds from issuance of ordinary shares | | - | - |
| Drawdown of bankers' acceptances | | 4,934 | 9,383 |
| Drawdown of revolving credit | | 12,996 | - |
| Repayment of bankers' acceptances | | (6,397) | (9,311) |
| Repayment of revolving credit | | (13,957) | - |
| Repayment of term loans | | (309) | (657) |
| Repayment of hire purchase obligations | | (131) | - |
| Repayment of lease liabilities | | (32) | (138) |
| Net cash used in financing activities | | (2,896) | (723) |
| Net decrease in cash and cash equivalents | | (2,163) | (9,479) |
| Effect of foreign exchange translation | | 1,784 | (81) |
| Cash and cash equivalents at beginning of the period | | 21,308 | 24,016 |
| Cash and cash equivalents at end of the period | | 20,929 | 14,456 |
| Cash and cash equivalents at end of the financial period comprise the following: | | | |
| Deposits, cash and bank balances | | 29,417 | 24,952 |
| (Less) Bank overdraft | | (3,000) | - |
| (Less) Fixed deposits pledged | | (5,488) | (10,496) |
| | | 20,929 | 14,456 |

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2024.

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No. 197501003884 (25583-W)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

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 30 June 2024. 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 30 June 2024.

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 financial year ended 30 June 2024 except for the following:-

MFRSs and/or IC Interpretations (including the Consequential Amendments)

| | Effective Date |
|---|-----------------------|
| MFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| 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 16: Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 101: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to MFRS 101: Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements | 1 January 2024 |
| Amendments to MFRS 121: Lack of Exchangeability | 1 January 2025 |

3. Auditors’ report of preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 30 June 2024 was not qualified.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD (MFRS) 134 – INTERIM FINANCIAL REPORTING (cont'd)****4. Segment information****Results for 3 months ended 30 September 2024**

| | Manufacturing RM'000 | Construction / EPCC RM'000 | Property trading RM'000 | Others RM'000 | Consolidated RM'000 |
|---|---------------------------------|---|--|--------------------------|--------------------------------|
| Segment revenue | | | | | |
| Total revenue including inter-segment sales | 33,699 | 12,696 | - | - | 46,395 |
| (Less) inter-segment sales | (1,150) | (100) | - | - | (1,250) |
| External revenue | <u>32,549</u> | <u>12,596</u> | <u>-</u> | <u>-</u> | <u>45,145</u> |
| Segment results | | | | | |
| Segment profit/(loss) | 4,527 | (2,012) | - | (8) | 2,507 |
| Finance costs | (770) | (16) | - | (2) | (788) |
| Corporate expenses | | | | | (1,578) |
| Share of profit/(loss) of an associate | | | | | - |
| Profit before tax | | | | | 141 |
| Income tax expense | | | | | (1,200) |
| Loss after tax | | | | | <u>(1,059)</u> |
| Other information | | | | | |
| Finance income | <u>41</u> | <u>11</u> | <u>-</u> | <u>36</u> | <u>88</u> |

Results for 3 months ended 30 September 2023

| | Manufacturing RM'000 | Construction / EPCC RM'000 | Property trading / Others RM'000 | Consolidated RM'000 |
|---|---------------------------------|---|---|--------------------------------|
| Segment revenue | | | | |
| Total revenue including inter-segment sales | 29,646 | 10,300 | - | 39,946 |
| (Less) inter-segment sales | (43) | (500) | - | (543) |
| External revenue | <u>29,603</u> | <u>9,800</u> | <u>-</u> | <u>39,403</u> |

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

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

4. Segment information (cont'd)

Results for 3 months ended 30 September 2023 (cont'd)

| | Manufacturing RM'000 | Construction / EPCC RM'000 | Property trading / Others RM'000 | Consolidated RM'000 |
|---|---------------------------------|---|---|--------------------------------|
| Segment results | | | | |
| Segment profit/(loss) | 4,663 | (286) | (14) | 4,363 |
| Finance costs | (490) | (25) | (4) | (519) |
| Corporate expenses | | | | (1,724) |
| Share of profit/(loss) of an associate | | | | - |
| Profit before tax | | | | 2,120 |
| Income tax expense | | | | (1,118) |
| Profit after tax | | | | 1,002 |
| Other information | | | | |
| Finance income | 38 | 42 | 36 | 116 |

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

5. Changes in estimates

There were no changes in estimates that have a material effect on the results in the current financial quarter under review.

6. 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 current financial quarter under review.

7. Comments about seasonal or cyclical factors

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

8. Dividend paid

There was no dividend paid by the Company during the current financial quarter under review.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD (MFRS) 134 – INTERIM FINANCIAL REPORTING (cont'd)****9. Property, plant and equipment (“PPE”) and Right-of-use (“ROU”) assets**

(i) Acquisition and disposal/written off

| | Individual Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|--|--------------------------------------|------------|--------------------------------------|------------|
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| | RM | RM | RM | RM |
| Acquisition (cost) | 755,210 | 2,181,678 | 755,210 | 2,181,678 |
| Disposal/written off (net book value) | 1,411 | - | 1,411 | - |

(ii) The cash disbursed for the purchase of PPE and the addition of ROU assets is as follows:-

| | Individual Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|---|--------------------------------------|--------------|--------------------------------------|--------------|
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cost of PPE and ROU acquired | 755 | 2,182 | 755 | 2,182 |
| (Less) Acquired through hire purchase arrangements | - | (286) | - | (286) |
| (Less) Other payables – balances remained unpaid | - | - | - | - |
| | <u>755</u> | <u>1,896</u> | <u>755</u> | <u>1,896</u> |

(iii) Valuation of Land and Buildings under PPE and ROU assets

The valuations of land and buildings classified under PPE and ROU assets respectively, were brought forward without any amendments from the audited financial statements for the financial year ended 30 June 2024.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD (MFRS) 134 – INTERIM FINANCIAL REPORTING (cont'd)****10. Related party transactions**

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

| | Individual Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|---|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | 30.09.2024 RM'000 | 30.09.2023 RM'000 | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| Expenditure: | | | | |
| Insurance premium paid or payable to a related party, Transnational Insurance Brokers (M) Sdn. Bhd. | - | 118 | - | 118 |
| Purchase of 2 units of motor vehicles from a director | 240 | - | 240 | - |

- (ii) Transactions with an associate
- ¹
- :-

| | Individual Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|---|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | 30.09.2024 RM'000 | 30.09.2023 RM'000 | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| Expenditure: | | | | |
| Construction and progress claim of batching plant | - | 87 | - | 87 |

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

Note:

¹ Associate refers to Edaran Kencana Sdn. Bhd.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

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

11. Investment in an associate

| | Unaudited | Audited |
|--|-------------------|-------------------|
| | As at | As at |
| | 30.09.2024 | 30.06.2024 |
| | RM'000 | RM'000 |
| Unquoted shares, at cost | 300 | 300 |
| (Less) Impairment loss on investment in an associate | (300) | (300) |
| | <u>-</u> | <u>-</u> |

Details of the associate are as follows:-

| Name of associate | Country of incorporation | Principal activities | Effective equity interest | |
|--------------------------|---------------------------------|--|----------------------------------|-------------------|
| | | | Unaudited | Audited |
| | | | As at | As at |
| | | | 30.09.2024 | 30.06.2024 |
| Edaran Kencana Sdn. Bhd. | Malaysia | General contractors and builders, engineering consultancy and other related services | 30% | 30% |

12. Debt and equity securities

Save as disclosed below, there were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

On 14 October 2024, an offer of Share option plan (“SOP Options”) involving 88,110,139 share options was made to certain eligible Directors and employees of the Company and its subsidiaries, allowing them to subscribe for new ordinary shares in the Company (“SCIB Shares”) at an exercise price of RM0.2205 per ordinary share. The SCIB Shares offered were immediately vested from the date of offer. As at the close of the offer, 88,068,139 Share Options had been accepted by the eligible directors and employees, while 42,000 Share Options were withdrawn.

13. Changes in composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

14. Capital commitments

| | Unaudited | Audited |
|---|-------------------|-------------------|
| | As at | As at |
| | 30.09.2024 | 30.06.2024 |
| | RM'000 | RM'000 |
| Capital expenditure not provided for in the financial statements: | | |
| Contracted for but not provided for | <u>16,954</u> | <u>11,145</u> |

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

Registration No. 197501003884 (25583-W)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

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

15. Contingent liabilities

| | Unaudited As at 30.09.2024 RM’000 | Audited As at 30.06.2024 RM’000 |
|---|--|--|
| Corporate guarantee given to bank for credit facilities granted to subsidiaries | <u>53,704</u> | <u>56,517</u> |

16. Significant and subsequent events

(i) Settlement agreement and termination of contract in relation to Muallim Project

On 6 July 2023, the Company and its wholly owned subsidiary company, SCIB Properties Sdn. Bhd. (“SCIBP”) entered into a settlement agreement with Awana JV Suria Saga Sdn. Bhd. (“Client”) who is also the project owner of the abovementioned project that has been awarded to the Group on 7 May 2021, to mutually terminate the Contract and confirm the obligation on the full and final settlement of debts and establish the term and payment schedule for the amount due between the parties after taking into consideration of protecting the Group’s interests in mitigating the risks arising from the non-movement of project progress.

The key salient terms of the said agreements included that the said parties acknowledged and confirmed their obligations on the settlement of the debt of RM18,715,250 only (“Debt”) and it shall assume the sole obligation and responsibility to reimburse the Debt to SCIBP in accordance with Schedule A in the said agreement.

The first payment which amounted to RM75,000 has been received by SCIBP on 21 August 2023.

Subsequently, on 15 April 2024, the Company announced that SCIBP entered into a Settlement cum Appointment of Contractor Agreement (“Further Agreement”) with their client for the purposes of the followings:-

- a) appointing SCIBP as the sole main contractor for construction of the abovementioned project; and
- b) providing their client an opportunity to repay the outstanding amount of RM19,132,682 (“Total Indebtedness”) owing to SCIBP. The amount includes a balance of RM18,640,250 and an additional sum of RM492,432 previously advanced on behalf of the client by SCIB Industrialised Building System Sdn. Bhd. (“SIBS”), a related company of SCIBP (“Subsequent Indebtedness”).

On 25 July 2024, SCIBP accepted a Letter of Award (“LOA”) from their client for securing an EPCC contract, subject to the terms and conditions as stipulated in the LOA (the “Contract”). Additionally, the Company will be appointed as the Corporate Guarantor in favour of MBSB Bank Berhad for the loan facilities granted to the client to facilitate the completion of the project in accordance with the Contract.

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

16. Significant and subsequent events (cont'd)

(ii) Proposed acquisition of five (5) plots of land

On 4 January 2024, the Company received an offer from Jabatan Tanah dan Survei, Bahagian Kuching (also referred to as “the Land and Survey Department of Sarawak”) for the acquisition of five (5) plots of land known as Lot 787, 788, 789, 790 and 791, Block 4, Muara Tebas Land District (Plot 11, 12, 13, 14 and 15) at Taman Perindustrian Demak Laut Phase IIb (Stage 2), Kuching, Sarawak, each with a tenure of 60 years with a total area of approximately 8.8544 ha (about 21.879 acres), for a total purchase consideration of RM21.62 million.

The Company had on 26 January 2024 accepted the offer from the Land and Survey Department of Sarawak for the land acquisition, subject to terms and condition as stipulated on the Letter of Offer. The remaining purchase consideration for the land acquisition shall be paid in yearly instalments up to the calendar year 2028.

On 26 January 2024, the Company had made the first payment of RM5,684,524 to the State Government.

The proposed land acquisition shall be completed in stages.

(iii) Acquisition of Land at Bintulu

On 18 September 2024, the wholly owned subsidiary company, SCIB Properties Sdn. Bhd. (“SCIBP”), had entered into a sale and purchase agreement with Gintek Sdn. Bhd. to acquire all that parcel of land and appurtenances thereof situated at Bintulu Sibiu Road, Bintulu containing an area of approximately 2.49 hectares described as Lot 1673 Block 32 Kemena Land District for a cash consideration of RM9.23 million.

The land acquisition is expected to contribute positively to all business segments of the Group, i.e. Property Trading, Manufacturing and Engineering, Procurement, Construction and Commissioning segments, through collaboration with developers to jointly develop and construct residential housing projects by leveraging on the Group’s products and construction expertise.

As at the date of this report, the land acquisition is yet to be completed.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****PART B - ADDITIONAL INFORMATION PURSUANT TO THE MAIN MARKET LISTING
REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD****17. Performance review**

| | Individual Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|------------------------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | 30.09.2024 RM'000 | 30.09.2023 RM'000 | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| <u>By business segments</u> | | | | |
| Revenue | | | | |
| - Manufacturing | 32,549 | 29,603 | 32,549 | 29,603 |
| - Construction/EPCC | 12,596 | 9,800 | 12,596 | 9,800 |
| - Property trading | - | - | - | - |
| - Others | - | - | - | - |
| Group revenue | 45,145 | 39,403 | 45,145 | 39,403 |
| Profit/(Loss) before tax | | | | |
| - Manufacturing | 3,757 | 4,173 | 3,757 | 4,173 |
| - Construction/EPCC | (2,028) | (311) | (2,028) | (311) |
| - Property trading | - | (18) | - | (18) |
| - Others | (10) | - | (10) | - |
| | 1,719 | 3,844 | 1,719 | 3,844 |
| (Less) Corporate expenses | (1,578) | (1,724) | (1,578) | (1,724) |
| Group profit before tax | 141 | 2,120 | 141 | 2,120 |

The Group recorded higher revenue of RM45.1 million and lower profit before tax of RM0.14 million for the current quarter ended 30 September 2024, compared to revenue of RM39.4 million and profit before tax of RM2.1 million in the corresponding quarter of the preceding financial year, representing an increase of 14.6% or RM5.7 million in revenue and a decrease of RM1.98 million in profit before tax.

Manufacturing

Manufacturing segment being the pillar of the Group, continued to thrive and remained as the largest contributor to the Group's revenue. The segment reported revenue of RM32.5 million and profit before tax of RM3.8 million for the current quarter, compared to revenue of RM29.6 million and profit before tax of RM4.2 million in the corresponding quarter of the preceding financial year. The higher revenue in the current quarter was primarily driven by increased sales of foundation piles and IBS products.

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PART B - ADDITIONAL INFORMATION PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD (cont'd)

17. Performance review (cont'd)

Construction/EPCC

Construction/EPCC segment registered revenue of RM12.6 million with a loss before tax of RM2.0 million for the current quarter, compared to revenue of RM9.8 million and loss before tax of RM0.3 million in the corresponding quarter of the preceding financial year. The higher revenue in the current quarter was mainly due to the increased recognition of construction works done from ongoing projects. However, the higher loss before tax was primarily due to unanticipated unrealised foreign exchange loss recognised.

Property trading and Others

The property trading and other segments have not recorded any revenue for the current quarter.

18. Variation of results against preceding quarter

The Group recorded revenue of RM45.1 million and profit before tax of RM0.14 million for the current quarter, compared to revenue of RM44.8 million and profit before tax of RM2.4 million in the immediate preceding quarter. There was a slight increase in revenue, but profit before tax declined by RM2.3 million. The decrease in profitability for the current quarter was mainly due to lower contributions from construction/EPCC segments.

Manufacturing division reported revenue of RM32.5 million and profit before tax of RM3.8 million for the current quarter, compared to revenue of RM27.3 million and profit before tax of RM3.2 million in the immediate preceding quarter. The improved revenue and segment profit were mainly due to increased sales of its foundation piles for both spun piles and square piles, as well as IBS products for infrastructure projects such as the Kuching Urban Transportation System (“KUTS”) project, the Sarawak Second Trunk Road (“STR”) and school projects in Sarawak.

Construction/EPCC division recorded revenue of RM12.6 million and loss before tax of RM2.0 million for the current quarter, compared to revenue of RM17.5 million and profit before tax of RM0.71 million in the immediate preceding quarter. This segment recorded lower revenue and incurred a segment loss, mainly due to unanticipated unrealised foreign exchange loss recognised in the current quarter.

Property trading and other divisions have not registered any revenue for the current and immediate preceding quarter.

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PART B - ADDITIONAL INFORMATION PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD (cont'd)

19. Prospects

As SCIB enters the first quarter of FY2025, the recent U.S. election has introduced a degree of uncertainty on the global front, potentially affecting commodity prices that may impact construction materials. SCIB remains vigilant, monitoring these fluctuations to ensure effective cost management and to safeguard our margins amid potential price shifts in key materials.

Domestically, we are encouraged by Malaysia's projected economic growth, with GDP set to expand by 4.5% to 5.5% in 2025. This growth outlook is underpinned by robust public and private demand, as demonstrated by Malaysia's anticipated 5.3% GDP growth in Q3 2024. The government's continued fiscal prudence is expected to reduce the fiscal deficit to 3.8% of GDP by 2025, while the Overnight Policy Rate (OPR) remains stable at 3.00%. This economic stability provides SCIB with a supportive landscape for both ongoing and new projects as we strive to align with the evolving demands of the construction sector.

The recent announcement of Budget 2025, Malaysia's largest allocation in history at RM421 billion, aligns with the MADANI Economy framework, emphasising sustainable growth. Of this allocation, RM86 billion is dedicated to development expenditure. Within this budget, RM5.9 billion has been earmarked for Sarawak, highlighting the government's commitment to enhancing public infrastructure, including the upgrading of schools, enhancement of healthcare centres, and improvement of Miri airport. Key infrastructure projects such as the Sabah-Sarawak Link Road (SSLR) and the North Coastal Highway, valued at RM6.1 billion, further bolster the region's connectivity and accessibility, presenting substantial opportunities for SCIB to expand its project portfolio and contribute to regional growth. Additionally, Sarawak has also announced its own RM15.8 billion expansionary budget for 2025, prioritising infrastructure and community welfare, with RM10.9 billion dedicated to development. This strong state and federal commitment to infrastructure growth positions SCIB to play an active role in advancing Sarawak's economic and social progress.

In terms of growth initiatives, SCIB has recently taken significant steps to enhance its financial foundation and broaden its project portfolio. The Islamic Banking Facilities secured from Small Medium Enterprise Development Bank Malaysia Berhad ("SME Bank") provide essential support for our expansion goals, complemented by a substantial RM162.0 million contract for development and infrastructure works at the Program Perumahan Penjawat Awam (PPAM) in Mualim, Perak. Additionally, our acquisition of 2.49 hectares of land at Bintulu Sibiu Road, Bintulu, for RM9.2 million represents a strategic move towards collaboration with developers on residential housing projects that will utilise SCIB's high-quality products and industry expertise.

SCIB has also proposed a private placement of 10.0% of its total issued shares, a move aimed at enhancing the Company's financial standing and strengthening its cash position. As of 6 November 2024, SCIB announced an additional land acquisition at Jalan Bintulu-Sibu, Bintulu, comprising 7.34815 hectares for RM18.4 million. This acquisition aligns with the rationale of the previous land bank purchase, targeting future collaborative residential developments in the fast growing region.

Looking forward, SCIB remains positive about its growth trajectory as we continue to leverage large-scale government infrastructure initiatives and pursue strategic partnerships. By maintaining a robust operational framework and seizing new opportunities, SCIB is committed to delivering sustained value and long-term growth, solidifying our position as an industry leader.

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PART B - ADDITIONAL INFORMATION PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD (cont'd)

19. Prospects (cont'd)

Source:

https://www.midf.com.my/sites/corporate/files/2024-10/budget_2025-turning_fiscally_conservative-midf-191024_0.pdf

¹ <https://www.straitstimes.com/business/malaysia-s-economic-growth-beats-estimates-in-third-quarter>

¹ <https://www.bernama.com/en/region/news.php?id=2360424>

¹ [https://www.bernama.com/en/news.php?id=2353351#:~:text=KUALA%20LUMPUR%2C%20Oct%2018%20\(Bernama,rakyat%20and%20not%20impacting%20their](https://www.bernama.com/en/news.php?id=2353351#:~:text=KUALA%20LUMPUR%2C%20Oct%2018%20(Bernama,rakyat%20and%20not%20impacting%20their)

¹ <https://www.theborneopost.com/2024/10/19/budget-2025-smc-deputy-chairman-hails-rm5-9-bln-for-swak-as-strong-commitment-to-tackling-infrastructure-gaps/>

¹ https://www.midf.com.my/sites/corporate/files/2024-10/budget_2025-turning_fiscally_conservative-midf-191024_0.pdf

¹ <https://www.nst.com.my/news/nation/2024/03/1022407/sarawak-unveils-rm61bil-north-coastal-highway-project>

¹ <https://international.astroawani.com/malaysia-news/sarawak-unveils-rm158-bil-state-budget-2025-495759>

20. (i) Variance of actual profit from forecast profit

Not applicable

(ii) Shortfall in the profit guarantee

Not applicable

21. Income tax expense

| | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------|-----------------------|---------------------------|-----------------------|
| | 3 months ended | 3 months ended | 3 months ended | 3 months ended |
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax: | | | | |
| - current tax | 1,339 | 1,164 | 1,339 | 1,164 |
| - (over)/under provision in prior years | - | - | - | - |
| | <u>1,339</u> | <u>1,164</u> | <u>1,339</u> | <u>1,164</u> |
| Deferred tax | <u>(139)</u> | <u>(46)</u> | <u>(139)</u> | <u>(46)</u> |
| | <u>1,200</u> | <u>1,118</u> | <u>1,200</u> | <u>1,118</u> |

The Group is subject to income tax at the applicable statutory tax rates in Malaysia. Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

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22. Corporate proposals

On 30 November 2023, the Company has proposed to establish and implement a long term incentive plan for the eligible directors and employees of SCIB and its non-dormant subsidiaries which will be in force for a period of 5 years (“**Proposed LTIP**”). The maximum number of new SCIB ordinary share which may be made available under the Proposed LTIP shall not exceed 15.0% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the Proposed LTIP. The Proposed LTIP comprises of a share grant plan (“**Proposed SGP**”) and a share option plan (“**Proposed SOP**”). The Proposed LTIP was approved by the shareholders at Extraordinary General Meeting on 27 March 2024 and implemented on 24 July 2024.

On 14 October 2024, an offer of Share option plan (“SOP Options”) involving 88,110,139 share options was made to certain eligible Directors and employees of the Company and its subsidiaries, allowing them to subscribe for new ordinary shares in the Company (“SCIB Shares”) at an exercise price of RM0.2205 per ordinary share. The SCIB Shares offered were immediately vested from the date of offer. As at the close of the offer, 88,068,139 Share Options had been accepted by the eligible directors and employees, while 42,000 Share Options were withdrawn.

Other than the above, there were no corporate proposals announced but not completed for the current financial quarter under review.

23. Loans and borrowings

| | Unaudited | Audited |
|------------------------------|-------------------|-------------------|
| | As at | As at |
| | 30.09.2024 | 30.06.2024 |
| | RM'000 | RM'000 |
| Long-term borrowings | | |
| Secured | 22,104 | 22,613 |
| Short-term borrowings | | |
| Secured | 32,415 | 34,770 |
| | <u>54,519</u> | <u>57,383</u> |

All of the above borrowings are denominated in Ringgit Malaysia.

24. Derivatives financial instruments

There were no outstanding derivatives as at the date of this report.

25. Proposed dividend

There was no dividend proposed as at the date of this report.

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26. (Loss)/Earnings per share

The basic (loss)/earnings per share is computed by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period:-

| | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|-----------------------|---------------------------|-----------------------|
| | 3 months ended | 3 months ended | 3 months ended | 3 months ended |
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| (Loss)/Profit attributable to owners of the Company (RM'000) | (1,148) | 926 | (1,148) | 926 |
| Weighted average number of ordinary shares in issue ('000) | 658,738 | 640,241 | 658,738 | 640,241 |
| Basic (loss)/earnings per share (sen) | <u>(0.17)</u> | <u>0.14</u> | <u>(0.17)</u> | <u>0.14</u> |

27. Material litigation

Dynamic Prestige Consultancy Sdn. Bhd. (“Dynamic Prestige”) vs Sarawak Consolidated Industries Berhad – Shah Alam High Court Civil Suit No. BA-22NCC-83-07/2023

On 6 July 2023, the Company (“the Plaintiff”) filed in Shah Alam High Court (Civil Suit No. BA-22NCC-83-07/2023) against Dynamic Prestige (“Defendant”) for:

- i) Writ and Statement of Claim to, among others, claim for the payment or refund of the sum of RM14,000,000 pursuant to the Defendant’s undertaking that it would return the sum of RM14,000,000 paid by the Company to the Dynamic Prestige in the event the Company decides not to proceed with the Redeemable Convertible Preference Shares scheme offered by Dynamic Prestige (“Main Suit”).
- ii) Ex-parte Notice of Application for an injunction to prevent the Defendant from dissipating its assets pending the hearing and disposal of the Main Suit. (“Injunction Application”).

On 1 August 2023, the High Court granted an ad-interim injunction to the Company and directed the parties file their respective cause papers and pleadings.

An application for recusal ("Recusal Application") was filed on 7 September 2023 against the solicitors for the Defendant.

The High Court has fixed the hearing for the Recusal Application on 6 November 2023.

The High Court has fixed 1 November 2023 for the case management of the Main Suit and the hearing for the Injunction Application, Refusal Application, and Expunge Application on 16 January 2024 which was then extended to 30 January 2024.

On 30 January 2024, the High Court held that the Injunction Application was granted and the order previously granted will remain in effect until the Main Suit is resolved.

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PART B - ADDITIONAL INFORMATION PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD (cont'd)

27. Material litigation (cont'd)

On 29 February 2024, the High Court has instructed both parties to file pre-trial documents and Witness Statement on 11 June 2025 and 21 July 2025, respectively. The next case management is fixed on 28 July 2025 and the trial for the main suit is scheduled from 11 August 2025 until 15 August 2025.

On 5 June 2024, the Court has fixed the hearing for an appeal application by the Defendant on the Injunction Order before the Court of Appeal on 14 January 2025. A case management is also fixed on 6 January 2025.

28. Additional disclosure on Profit for the period

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

| | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|-------------------|---------------------------|-------------------|
| | 3 months ended | | 3 months ended | |
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Depreciation of property, plant and equipment, and right-of-use assets | 1,962 | 1,454 | 1,962 | 1,454 |
| Depreciation of investment properties | 36 | 36 | 36 | 36 |
| Finance costs | 788 | 519 | 788 | 519 |
| Inventories written down | 1 | - | 1 | - |
| Inventories written off | - | 1 | - | 1 |
| Gain on disposal of property, plant and equipment | (2) | - | (2) | - |
| Property, plant and equipment written off | 1 | - | 1 | - |
| Finance income | (88) | (116) | (88) | (116) |
| Reversal of impairment loss on trade receivables | - | (3) | - | (3) |
| Reversal of impairment loss on other receivables | (40) | (3) | (40) | (3) |
| Reversal of inventories written off | (2) | - | (2) | - |
| Unrealised loss/(gain) on foreign exchange | 1,922 | (81) | 1,922 | (81) |

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 27 November 2024.