

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2009

NOTES

1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain property, plant and equipment. The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements 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 2008.

The interim financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000).

2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

At the date of authorisation of these interim financial statements, the following new FRS and Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 7 : Financial Instruments: Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010

The new FRS and Interpretations above are expected to have no significant impact to the financial statements of the Group upon their initial application except for the changes in disclosures arising from adoption of FRS 7. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2008 was not qualified.

4. Segmental information

	3 months ended		6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Manufacturing	9,755	9,183	16,852	15,821
Property trading	1,556	890	6,258	1,290
Total revenue including inter-segment sales	11,311	10,073	23,110	17,111
Elimination of inter-segment sales	-	-	-	-
Total	<u>11,311</u>	<u>10,073</u>	<u>23,110</u>	<u>17,111</u>

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NOTES (cont'd)

4. Segmental information (cont'd)

Segment Results

Manufacturing	(397)	(15)	(1,865)	(774)
Property trading	137	29	563	17
Others	(65)	(3)	(106)	(3)
	<u>(325)</u>	<u>11</u>	<u>(1,408)</u>	<u>(760)</u>
Elimination	-	(125)	-	(250)
Total	<u>(325)</u>	<u>(114)</u>	<u>(1,408)</u>	<u>(1,010)</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 2009 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 2009.

9. Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2008.

10. 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 year-to-date.

11. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

12. Capital commitments

There was no material capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2009.

13. Contingent liabilities – Unsecured

	As At 30.06.2009 RM'000	As At 31.12.2008 RM'000
Corporate guarantee given to a bank for credit facilities granted to a subsidiary	40,000	40,000
	=====	=====

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14. Significant event

There were no material significant events for the current quarter.

15. Subsequent event

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

16. Performance review

The Group recorded gross revenue of RM23.11 million in the first half of 2009, representing an increase of approximately 35% as compared to RM17.11 million posted in the first half of 2008. Higher revenue recorded was attributed to sales of 17 apartment units at Santubong Suites by its properties division which constitutes 27% of the group's revenue. Around 64% of the Group's revenue was contributed by the traditional product division.

In addition, the group has improved its contribution margin from 11% in the previous quarter to 20% in the current quarter. This was largely due to the better performance of its traditional product division with appreciation of contribution margin from 14% in last quarter to 23% in the current quarter. Net sales from traditional product division has surged by 39% from RM6.17 million in the preceding quarter to RM8.57 million in the current quarter. The Group registered a net loss of RM2.408 million in the first half of 2009 as compared to net loss of RM2.209 million in the first half of 2008 as a result of low contribution from its roofing and industrialized building system ("IBS") divisions.

17. Variation of results against preceding quarter

The Group registered a net loss of RM798,000 with a revenue of RM11.3 million for the current quarter as compared to a net loss of RM1.61 million with a revenue of RM11.8 million in the preceding quarter.

18. Current year prospects

The Board has recently announced the proposed disposal of 43 hectares of mixed zone land for a cash consideration of RM20,000,000 ("Proposed Disposal"). The Proposed Disposal will strengthen the Group's financial standing with substantial settlement of the Group's borrowings. The Group is poised to benefit from its leadership position in pre-cast concrete products with the rolling out of major projects under the 9th Malaysia Plan and Sarawak Corridor Of Renewable Energy ("SCORE").

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		6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Current tax	-	-	-	-
(Over)/underprovision of tax in prior year	-	-	-	-
Deferred tax	-	-	-	-
Total income tax expense	-	-	-	-

21. Sales of unquoted investments and properties

There were no sales of unquoted investments and properties for the current quarter and financial period ended 30 June 2009.

22. Quoted securities

a) Purchases and disposals of quoted securities

There were no purchases or disposals of quoted securities for the current quarter and financial period ended 30 June 2009.

b) Investment in quoted securities

There were no investments in quoted shares as at the reporting period.

23. Corporate Proposals

Status of corporate proposal announced

The Internal Group Rationalisation exercise has been completed except for the legal transfer of the land and buildings which are still in progress.

24. Borrowings

	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
Short term borrowings		
Secured	5,487	6,524
Unsecured	180	171
	<u>5,667</u>	<u>6,695</u>
Long term borrowings		
Secured	19,039	21,132
	<u>24,706</u>	<u>27,827</u>

All of the above borrowings are denominated in Ringgit Malaysia.

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25. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this announcement.

26. Material litigation

- On 6 November 2003, the Company announced that it had entered into a Conditional Sale Share Agreement (“SSA”) to acquire the entire issued and paid-up capital of Eurologic Sdn Bhd. Eurologic Sdn Bhd has 65% interest in N S Water Konsortium Sdn Bhd (“**Konsortium**”), the water concession company which has been granted the exclusive rights and responsibilities to undertake the privatisation of water supply in the State of Negeri Sembilan upon the terms and conditions to be agreed upon between the State Government of Negeri Sembilan and the Konsortium.

On 16 January 2008, the Company through its solicitor had demanded refund of all monies paid under the SSA amounting RM5.8 million as the vendors failed to fulfill the conditions precedent. On 21 January 2008, the Company received Letter of Settlement from Tiara Senja Sdn Bhd. On 14 March 2008, the Writ of Summons was filed and served on Alcovest Connection Sdn Bhd and Orionsun Gains Sdn Bhd. The RM5.8 million paid has been fully provided as doubtful debts in 2007.

- A claim by the Konsortium and two individuals (“**the Plaintiffs**”) was filed against the Company, Zecon Bhd. and a director of the Company for breach of fiduciary duties, breach of confidential information and for committing tort of conspiracy, whereby causing injury to the Plaintiffs. The Plaintiffs claimed that certain contract works relating to the Privatisation project in Negeri Sembilan has been obtained by Zecon Bhd via Zecon Bhd’s access to confidential information obtained from the Company in view of a director’s relationship with Zecon Bhd and intended acquisition of Eurologic Sdn. Bhd as mentioned above. The directors are of the opinion that no provision is required as the Company is not directly a party to the claim.

27. Dividend payable

No interim ordinary dividend has been declared for the financial period ended 30 June 2009 (31 December 2008: Nil).

28. Basic loss per share

	3 months ended		6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM’000	RM’000	RM’000	RM’000
Loss attributable to ordinary equity holders of the parent	<u>(798)</u>	<u>(702)</u>	<u>(2,408)</u>	<u>(2,209)</u>
	3 months ended		6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Weighted average number of ordinary shares in issue	<u>73,577,500</u>	<u>73,577,500</u>	<u>73,577,500</u>	<u>73,577,500</u>

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NOTES (cont'd)

28. Basic loss per share (cont'd)

	3 months ended		6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	Sen	Sen	Sen	Sen
Basic and diluted loss per share for loss for the period	<u>(1.08)</u>	<u>(0.95)</u>	<u>(3.27)</u>	<u>(3.00)</u>

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 2009