

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012****Unaudited Condensed Consolidated Statement of Comprehensive Income**

|  |    | 3 months<br>ended<br>30 June<br>2012<br>Unaudited<br>(RM'000) | 3 months<br>ended<br>30 June<br>2011<br>Unaudited<br>(RM'000) | 6 months<br>ended<br>30 June<br>2012<br>Unaudited<br>(RM'000) | 6 months<br>ended<br>30 June<br>2011<br>Unaudited<br>(RM'000) |
|--|----|---|---|---|---|
| <b>Continuing Operations</b>   |    |   |   |   |   |
| Revenue  | 4  | 16,986  | 10,572  | 30,746  | 22,120  |
| Cost of sales  |    | (14,353)  | (8,528)   | (25,644)  | (16,925)  |
| <b>Gross profit</b>  |    | <b>2,633</b>  | <b>2,044</b>  | <b>5,102</b>  | <b>5,195</b>  |
| Other expenses   |    | (17)  | (78)  | (15)  | (9)   |
| Administrative expenses  |    | (2,057)   | (1,302)   | (3,218)   | (2,418)   |
| Selling and marketing expenses   |    | (1,065)   | (599)   | (2,056)   | (1,180)   |
| <b>Operating (loss)/ profit</b>  |    | <b>(506)</b>  | <b>65</b>   | <b>(187)</b>  | <b>1,588</b>  |
| Finance costs  |    | (343)   | (272)   | (579)   | (548)   |
| Share of loss of an associate  | 11 | -   | -   | -   | -   |
| <b>(Loss)/ profit before tax</b>   |    | <b>(849)</b>  | <b>(207)</b>  | <b>(766)</b>  | <b>1,040</b>  |
| Income tax expense   | 21 | -   | (76)  | -   | (76)  |
| <b>(Loss)/ profit for the period attributable to owners of the Company</b>                     |    | <b>(849)</b>  | <b>(283)</b>  | <b>(766)</b>  | <b>964</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 owners of the Company</b> |    | <b>(849)</b>  | <b>(283)</b>  | <b>(766)</b>  | <b>964</b>  |
| <b>(Loss) /profit per share attributable to equity holders of the Company:</b>                 |    |   |   |   |   |
| Basic, for (loss)/ profit for the period (sen)   | 27 | <u>(1.15)</u>   | <u>(0.38)</u>   | <u>(1.04)</u>   | <u>1.31</u>   |
| Diluted, for (loss)/ profit for the period (sen)   | 27 | <u>(1.15)</u>   | <u>(0.38)</u>   | <u>(1.04)</u>   | <u>1.31</u>   |

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 2012**

**Unaudited Condensed Consolidated Statements of Financial Position**

|   | Note | As At<br>30 June 2012<br>(Unaudited)<br>(RM'000) | As At<br>31 December 2011<br>(Unaudited & Restated)<br>(RM'000) | As At<br>1 January 2011<br>(Unaudited & Restated)<br>(RM'000) |
|---|------|--|---|---|
| <b>ASSETS</b>                                       |      |  |   |   |
| <b>Non-current assets</b>                           |      |  |   |   |
| Property, plant and equipment                       | 9    | 30,948   | 31,463  | 34,582  |
| Prepaid land lease payments                         |      | 14,595   | 14,827  | 15,290  |
| Investment in an associate                          | 11   | 2,985  | 2,985   | 2,986   |
|   |      | <b>48,528</b>                                    | <b>49,275</b>   | <b>52,858</b>   |
| <b>Current assets</b>                               |      |  |   |   |
| Inventories   |      | 13,882   | 15,516  | 13,041  |
| Trade receivables                                   |      | 17,752   | 15,425  | 13,046  |
| Other receivables & prepayment                      |      | 680  | 736   | 534   |
| Other current receivables                           |      | 2,425  | 22  | -   |
| Income tax recoverable                              |      | 97   | 155   | 95  |
| Cash & bank balances                                |      | 3,672  | 2,991   | 5,459   |
|   |      | <b>38,508</b>                                    | <b>34,845</b>   | <b>32,175</b>   |
| <b>TOTAL ASSETS</b>                                 |      | <b>87,036</b>                                    | <b>84,120</b>   | <b>85,033</b>   |
| <b>EQUITY AND LIABILITIES</b>                       |      |  |   |   |
| <b>Equity attributable to owners of the Company</b> |      |  |   |   |
| Share capital                                       |      | 73,583   | 73,583  | 73,583  |
| Share premium                                       |      | 5,097  | 5,097   | 5,097   |
| Accumulated losses                                  |      | (24,925)   | (24,159)  | (24,272)  |
| Revaluation reserve                                 |      | -  | -   | -   |
| <b>Total equity</b>                                 |      | <b>53,755</b>                                    | <b>54,521</b>   | <b>54,408</b>   |
| <b>Non-current liabilities</b>                      |      |  |   |   |
| Borrowings  | 23   | 11,496   | 9,257   | 12,604  |
| Deferred taxation                                   |      | 610  | 610   | 610   |
| Land premium payable                                |      | 252  | 491   | 971   |
|   |      | <b>12,358</b>                                    | <b>10,358</b>   | <b>14,185</b>   |
| <b>Current liabilities</b>                          |      |  |   |   |
| Borrowings  | 23   | 4,584  | 3,492   | 3,253   |
| Trade payables                                      |      | 11,881   | 10,115  | 7,420   |
| Other payables                                      |      | 4,439  | 5,634   | 5,182   |
| Other current liabilities                           |      | 19   | -   | 497   |
| Income tax payable                                  |      | -  | -   | 88  |
|   |      | <b>20,923</b>                                    | <b>19,241</b>   | <b>16,440</b>   |
| <b>Total liabilities</b>                            |      | <b>33,281</b>                                    | <b>29,599</b>   | <b>30,625</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |      | <b>87,036</b>                                    | <b>84,120</b>   | <b>85,033</b>   |
| <b>Net assets per share (RM)</b>                    |      | <b>0.73</b>                                      | <b>0.74</b>   | <b>0.74</b>   |

Upon adoption of the MFRS framework, the Consolidated Statements of Financial Position as at 31 December 2011 and 1 January 2011 have been restated but not audited. These Unaudited Condensed Consolidated 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 2012**

**Unaudited Condensed Consolidated Statements of Changes in Equity**

|   | ← Attributable to owners of the Company → |                  |                        |                       |               |
|---|---|------------------|------------------------|-----------------------|---------------|
|   | Share<br>capital                          | Share<br>premium | Revaluation<br>reserve | Accumulated<br>losses | Total         |
|   | (RM'000)                                  | (RM'000)         | (RM'000)               | (RM'000)              | (RM'000)      |
| At 1 January 2011 (Restated)              | 73,583                                    | 5,097            | -                      | (24,272)              | 54,408        |
| Total comprehensive profit for the period | -   | -                | -                      | 964                   | 964           |
| At 30 June 2011 (Restated)                | <u>73,583</u>                             | <u>5,097</u>     | <u>-</u>               | <u>(23,308)</u>       | <u>55,372</u> |
| At 1 January 2012 (Restated)              | 73,583                                    | 5,097            | -                      | (24,159)              | 54,521        |
| Total comprehensive loss for the period   | -   | -                | -                      | (766)                 | (766)         |
| At 30 June 2012                           | <u>73,583</u>                             | <u>5,097</u>     | <u>-</u>               | <u>(24,925)</u>       | <u>53,755</u> |

The Unaudited 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 2012****Unaudited Condensed Consolidated Statements of Cash Flow**

|  | 6 Months ended<br>30 June 2012<br>RM'000 | 6 Months ended<br>30 June 2011<br>RM'000<br>Restated |
|--|--|--|
| <b>Cash flows from operating activities</b>  |  |  |
| (Loss)/ profit before tax  | (766)                                    | 1,040  |
| Adjustment for:  |  |  |
| Interest income  | (28)                                     | (86)   |
| Interest expense   | 579                                      | 548  |
| Amortisation of prepaid land lease payments  | 231                                      | 231  |
| Bad debts written back, net off bad debts written off                                | (36)                                     | -  |
| Depreciation of property, plant and equipment  | 1,697                                    | 1,742  |
| Impairment loss on trade receivables   | 844                                      | 159  |
| Inventories written off  | -  | 136  |
| Property, plant and equipment written off  | 6  | -  |
| Operating profit before working capital changes                                      | <u>2,527</u>                             | <u>3,770</u>   |
| Decrease/ (Increase) in inventories  | 1,634                                    | (194)  |
| Increase in trade and other receivables  | (3,078)                                  | (2,324)  |
| Increase in other current assets   | (2,403)                                  | -  |
| Increase/ (Decrease) in trade and other payables                                     | 332                                      | (1,267)  |
| Increase/(Decrease) in other current liabilities                                     | 19                                       | (340)  |
| Cash used in operations  | <u>(969)</u>                             | <u>(355)</u>   |
| Taxation paid, net of refund   | 57                                       | (55)   |
| Interest received  | 28                                       | 86   |
| Interest paid  | (579)                                    | (559)  |
| Net cash used in operating activities  | <u>(1,463)</u>                           | <u>(883)</u>   |
| <b>Cash flows from investing activities</b>  |  |  |
| Acquisition of property, plant and equipment   | (336)                                    | (110)  |
| Net cash used in investing activities  | <u>(336)</u>                             | <u>(110)</u>   |
| <b>Cash flows from financing activities</b>  |  |  |
| Proceeds from borrowings   | 4,403                                    | -  |
| Fixed deposits pledged with a bank   | (30)                                     | (30)   |
| Repayment of borrowings  | (1,971)                                  | (1,646)  |
| Net cash from /(used in) financing activities  | <u>2,402</u>                             | <u>(1,676)</u>                                       |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>                         | <b>603</b>                               | <b>(2,669)</b>                                       |
| <b>Cash and cash equivalents at the beginning of the period</b>                      | <b>2,709</b>                             | <b>5,240</b>   |
| <b>Cash and cash equivalents at the end of the period</b>                            | <b><u>3,312</u></b>                      | <b><u>2,571</u></b>                                  |
| Cash and cash equivalents at the end of the financial period comprise the following: |  |  |
| Cash and bank balances   | 3,672                                    | 2,924  |
| Bank overdraft (included within short term borrowings in Note 23)                    | (47)                                     | (104)  |
| Less: Fixed deposit pledged  | (313)                                    | (249)  |
|  | <u>3,312</u>                             | <u>2,571</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.