

**SARAWAK CABLE BERHAD**  
**(INTERIM JUDICIAL MANAGER APPOINTED)**  
**199801000274 (456400-V)**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024**

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024**

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**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 November 2024. The Interim Judicial Manager of the Company authorised the directors of the Company to sign the report together with the audited financial statements of the Company for the financial period ended 30 November 2024.

The Interim Judicial Manager disclaims any personal liability and shall not be held responsible for any costs, expenses, claims, or liabilities arising from the audited financial statements herein.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company are investment holding, contractors and infrastructure development, provision of management and consultancy services. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial period.

**CHANGE OF FINANCIAL YEAR END**

During the financial period, the Group and the Company changed their financial year end from 31 May to 30 November and made up its financial statements for the 18 months period from 1 June 2023 to 30 November 2024. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

**RESULTS**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Loss for the financial period, net of tax	<u>(343,733)</u>	<u>(254,660)</u>
Attributable to: Owners of the Company	<u>(343,733)</u>	<u>(254,660)</u>

**DIVIDENDS**

No dividend has been paid or declared by the Company since the end of the previous financial year.

**RESERVES OR PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

**DIRECTORS' REPORT** (continued)

**BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

**CURRENT ASSETS**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, other than disclosed in the notes to the financial statements, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

**VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**CONTINGENT AND OTHER LIABILITIES**

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial period.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

**DIRECTORS' REPORT** (continued)

**CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

**ITEMS OF MATERIAL AND UNUSUAL NATURE**

Other than disclosed in the notes to the financial statements, in the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

**AUDITORS' REMUNERATION AND INDEMNITY**

The auditors' remuneration of the Group and the Company during the financial period were RM482,000 and RM197,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

**ISSUE OF SHARES AND DEBENTURES**

During the financial period, no new issue of shares or debentures were made by the Company.

**DIRECTORS**

The directors in office during the financial period and during the period from the end of the financial period to the date of the report are:

Dato Sri Mahmud Abu Bekir Taib	
Takeo Hirata	(Appointed on 6 December 2023)
Mazhar UI Latif*	(Appointed on 29 December 2023)
Rafat Ali Rizvi*	(Appointed on 29 December 2023)
Hamzah Bin Mahmood*	(Appointed on 6 August 2024)
Kiew Jin Huey*	(Appointed on 29 August 2024)
Datuk Rozimi bin Remeli	(Resigned on 1 September 2023)
Alwizah Al-Yafii binti Ahmad Kamal	(Resigned on 6 December 2023)
Laksamana Tan Sri Dato' Seri Mohd Anwar bin Haji Mohd Nor	(Resigned on 14 December 2023)
Ninam Shah bin Dato' Kadar Shah	(Resigned on 14 December 2023)
Erman bin Radin	(Resigned on 18 January 2024)
Dato Sri Fong Joo Chung	(Resigned on 3 May 2024)
Redzuan bin Rauf	(Resigned on 23 July 2024)
Yek Siew Liong	(Resigned on 23 July 2024)
Datuk Kevin How Kow	(Resigned on 6 August 2024)

\* Directors of the Company and certain subsidiaries

**DIRECTORS' REPORT** (continued)

**DIRECTORS** (continued)

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial period and during the period from the end of the financial period to the date of the report are:

Russell Walter Boyd	(Appointed on 4 August 2023)
Abdul Nasser Bin Abdul Rahman	(Appointed on 30 October 2024)
Lu Yew Hung @ Lu Yew Hong	(Resigned on 12 May 2024)
Danice Endawie Ita	(Resigned on 11 September 2024)

**DIRECTORS' INTERESTS**

According to the Registers of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period were as follows:

	Number of ordinary shares			As at 30.11.2024
	As at 1.6.2023	Bought	Sold	
<b>Direct interest:</b>				
Dato Sri Mahmud Abu Bekir Taib	58,264,896	-	(10,000,000)	48,264,896
<b>Indirect interest:</b>				
Dato Sri Mahmud Abu Bekir Taib <sup>1</sup>	26,082,000	-	-	26,082,000

<sup>1</sup> Deemed interested by virtue of his interest in Central Paragon Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 in Malaysia.

Other than as stated above, none of the other directors in office at the end of the financial period had any interest in the ordinary shares of the Company and its related corporations during the financial period.

**DIRECTORS' REPORT** (continued)

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company were as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
<b>Directors of the Company</b>		
<b>Executive:</b>		
Fees	628	616
Total executive directors' remuneration	628	616
<b>Non-executive:</b>		
Fees	1,545	1,412
Other emoluments	96	96
Total non-executive directors' remuneration	1,641	1,508
Total directors' remuneration	2,269	2,124

Neither during, nor at the end of the financial period, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

**INDEMNITY TO DIRECTORS AND OFFICERS**

During the financial period, the total amount of indemnity coverage and insurance premium paid for the directors and officers of the Company were RM10,000,000 and RM37,733 respectively.

**DIRECTORS' REPORT** (continued)

**SUBSIDIARIES**

The details of the Company's subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Ownership interest	
			2024	2023
Universal Cable (Sarawak) Sdn. Bhd.	Malaysia	Manufacture and sale of power cables and wires	100%	100%
Sarawak Power Solution Sdn. Bhd.	Malaysia	Dormant	-	100%
Sarwaja Timur Sdn. Bhd.	Malaysia	Manufacturing, fabrication, galvanising and sale of steel structures	100%	100%
Trenergy Infrastructure Sdn. Bhd.	Malaysia	General contractors and infrastructure	-	100%
PT Inpolo Mitra Elektrindo	Indonesia	Designing, financing construction of independent and mini hydro power plant	-	78%
Aerial Power Lines Sdn. Bhd.	Malaysia	Power lines construction, inspection and maintenance services and provide of chartered or non-scheduled helicopter services	100%	100%
Leader Cable Industry Berhad #	Malaysia	Manufacture and sale of telecommunication and power cables	-	100%
Universal Cable (M) Berhad #	Malaysia	Manufacture and sale of telecommunication and power cables	-	100%
SCMI Sdn. Bhd.	Malaysia	Undertaking engineering and construction projects	-	55%

# Derecognised during the current financial period pursuant to wound up by High Court of Malaysia.



**DIRECTORS' REPORT** (continued)

**AUDITORS**

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....  
**HAMZAH BIN MAHMOOD**  
Director

.....  
**MAZHAR UL LATIF**  
Director

Date: 28 March 2025

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024**

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	32,663	206,022	35	63
Trade and other receivables	6	6,730	15,260	6,730	6,730
Investment in subsidiaries	7	-	-	101,926	307,815
Investment in an associate	8	-	1,710	-	-
Deferred tax assets	9	-	-	-	-
<b>Total non-current assets</b>		<u>39,393</u>	<u>222,992</u>	<u>108,691</u>	<u>314,608</u>
<b>Current assets</b>					
Inventories	10	7,536	72,832	-	-
Trade and other receivables	6	18,275	107,922	27,568	32,768
Contract assets	11	-	7,643	-	-
Cash and bank balances	12	1,242	37,459	9	2,085
Tax assets		1,112	13,480	-	-
		28,165	239,336	27,577	34,853
Assets of a disposal group classified as held for sale	13	-	59,870	-	40,824
<b>Total current assets</b>		<u>28,165</u>	<u>299,206</u>	<u>27,577</u>	<u>75,677</u>
<b>TOTAL ASSETS</b>		<u><u>67,558</u></u>	<u><u>522,198</u></u>	<u><u>136,268</u></u>	<u><u>390,285</u></u>

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
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**STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024 (continued)**

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	14	267,215	267,215	267,215	267,215
Reverse acquisition reserve		(37,300)	(37,300)	-	-
Foreign currency translation reserve	15	-	(4,642)	-	-
Accumulated losses		<u>(627,433)</u>	<u>(283,700)</u>	<u>(626,408)</u>	<u>(371,748)</u>
		(397,518)	(58,427)	(359,193)	(104,533)
Non-controlling interests		<u>-</u>	<u>(5,474)</u>	<u>-</u>	<u>-</u>
<b>CAPITAL</b>					
<b>DEFICIENCY</b>		(397,518)	(63,901)	(359,193)	(104,533)

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
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**STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024 (continued)**

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current liabilities</b>					
Loans and borrowings	16	11,116	11,872	11,116	11,116
Trade and other payables	17	6,246	6,535	6,246	6,535
Deferred tax liabilities	9	5,042	30,624	-	-
<b>Total non-current liabilities</b>		<u>22,404</u>	<u>49,031</u>	<u>17,362</u>	<u>17,651</u>
<b>Current liabilities</b>					
Loans and borrowings	16	116,028	388,644	98,941	105,637
Trade and other payables	17	326,644	96,115	379,158	365,115
Contract liabilities	11	-	24,345	-	6,415
		442,672	509,104	478,099	477,167
Liabilities of a disposal group classified as held for sale	13	-	27,964	-	-
<b>Total current liabilities</b>		<u>442,672</u>	<u>537,068</u>	<u>478,099</u>	<u>477,167</u>
<b>TOTAL LIABILITIES</b>		<u>465,076</u>	<u>586,099</u>	<u>495,461</u>	<u>494,818</u>
<b>TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY</b>		<u>67,558</u>	<u>522,198</u>	<u>136,268</u>	<u>390,285</u>

The accompanying notes form an integral part of these financial statements.

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024**

	Note	Group		Company	
		1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
<b>Continuing operations</b>					
Revenue	18	358,808	547,895	22,634	36,736
Cost of sales		<u>(354,700)</u>	<u>(551,183)</u>	<u>(17,324)</u>	<u>(31,803)</u>
<b>Gross profit/(loss)</b>		4,108	(3,288)	5,310	4,933
Other income	19	12,583	7,868	17,986	14,620
Marketing and distribution expenses		(10,452)	(14,571)	-	-
Administrative expenses		(25,745)	(19,665)	(8,588)	(3,853)
Net impairment losses on financial instruments		(7,303)	(2,790)	(75,074)	(30,206)
Other expenses		<u>(274,621)</u>	<u>(5,235)</u>	<u>(166,458)</u>	<u>(28,530)</u>
<b>Operating loss</b>		(301,430)	(37,681)	(226,824)	(43,036)
Finance costs	20	(44,029)	(20,453)	(27,836)	(18,248)
Share of results of an associate		<u>205</u>	<u>234</u>	<u>-</u>	<u>-</u>
<b>Loss before tax</b>	21	(345,254)	(57,900)	(254,660)	(61,284)
Tax credit/(expense)	22	<u>1,521</u>	<u>(44,317)</u>	<u>-</u>	<u>-</u>
<b>Loss for the financial period/year from continuing operations</b>		(343,733)	(102,217)	(254,660)	(61,284)
<b>Discontinued operation</b>					
Profit for the financial year from discontinued operation, net of tax		<u>-</u>	<u>3,540</u>	<u>-</u>	<u>-</u>
<b>Loss for the financial period/year</b>		<u>(343,733)</u>	<u>(98,677)</u>	<u>(254,660)</u>	<u>(61,284)</u>

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
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**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024 (continued)**

	Group		Company	
	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
Note				
<b>Other comprehensive income/(loss), net of tax</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	4,642	(2,446)	-	-
Net movement of cash flow hedges	-	1,028	-	-
Income tax related to cash flow hedges	-	(247)	-	-
<b>Other comprehensive income/(loss) for the financial period/year</b>	4,642	(1,665)	-	-
<b>Total comprehensive loss for the financial period/year</b>	<u>(339,091)</u>	<u>(100,342)</u>	<u>(254,660)</u>	<u>(61,284)</u>
<b>Loss attributable to:</b>				
Owners of the Company	(343,733)	(98,220)	(254,660)	(61,284)
Non-controlling interests	-	(457)	-	-
	<u>(343,733)</u>	<u>(98,677)</u>	<u>(254,660)</u>	<u>(61,284)</u>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(339,091)	(99,355)	(254,660)	(61,284)
Non-controlling interests	-	(987)	-	-
	<u>(339,091)</u>	<u>(100,342)</u>	<u>(254,660)</u>	<u>(61,284)</u>

**Registration No. 199801000274 (456400-V)**

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
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**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024** (continued)

	Note	Group	
		1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
<b>Loss per share attributable to owners of the Company (sen per share):</b>			
<b>Basic and Diluted</b>			
- From continuing operations	23	(86.15)	(25.62)
- From discontinued operation	23	-	1.00
		<u>(86.15)</u>	<u>(24.62)</u>

The accompanying notes form an integral part of these financial statements.

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024**

<----- Attributable to owners of the Company ----->								
			Reverse	Foreign				
	Note	Share	acquisition	currency	Hedge	Accumulated	Sub-total	Non-
		capital	reserve	translation	reserve	losses	RM'000	controlling
		RM'000	RM'000	reserve	RM'000	RM'000		interests
				RM'000				RM'000
Group								Capital
At 1 June 2022		267,215	(37,300)	(2,726)	(781)	(185,480)	40,928	deficiency
								RM'000
Total comprehensive loss								
for the financial year								
Loss for the financial year		-	-	-	-	(98,220)	(98,220)	(98,677)
Other comprehensive loss								
for the financial year		-	-	(1,916)	781	-	(1,135)	(1,665)
Total comprehensive loss		-	-	(1,916)	781	(98,220)	(99,355)	(100,342)
At 31 May 2023		267,215	(37,300)	(4,642)	-	(283,700)	(58,427)	(63,901)



**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**

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**STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024** (continued)

	<----- Attributable to owners of the Company ----->							
	Share capital RM'000	Reverse acquisition reserve RM'000	Foreign currency translation reserve RM'000	Hedge reserve RM'000	Accumulated losses RM'000	Sub-total RM'000	Non- controlling interests RM'000	Capital deficiency RM'000
<b>Group</b>								
<b>At 1 June 2023</b>	267,215	(37,300)	(4,642)	-	(283,700)	(58,427)	(5,474)	(63,901)
<b>Total comprehensive loss for the financial period</b>								
Loss for the financial period	-	-	-	-	(343,733)	(343,733)	-	(343,733)
Other comprehensive income for the financial period	-	-	4,642	-	-	4,642	-	4,642
<b>Total comprehensive loss</b>	-	-	4,642	-	(343,733)	(339,091)	-	(339,091)
<b>Transactions with owners</b>								
Disposal of assets/(liabilities) classified as held for sale	-	-	-	-	-	-	5,317	5,317
Disposal of a subsidiary	-	-	-	-	-	-	157	157
<b>Total transactions with owners</b>	-	-	-	-	-	-	5,474	5,474
<b>At 30 November 2024</b>	267,215	(37,300)	-	-	(627,433)	(397,518)	-	(397,518)

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
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**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024** (continued)

	<b>Share capital RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Capital deficiency RM'000</b>
<b>Company</b>			
<b>At 1 June 2022</b>	267,215	(310,464)	(43,249)
<b>Total comprehensive loss for the financial year</b>			
Loss for the financial year, representing total comprehensive loss	-	(61,284)	(61,284)
<b>At 31 May 2023</b>	267,215	(371,748)	(104,533)
<b>Total comprehensive loss for the financial period</b>			
Loss for the financial period, representing total comprehensive loss	-	(254,660)	(254,660)
<b>At 30 November 2024</b>	267,215	(626,408)	(359,193)

The accompanying notes form an integral part of these financial statements.

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024**

	Note	Group		Company	
		1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
<b>Cash flows from operating activities</b>					
Loss before tax		(345,254)	(52,175)	(254,660)	(61,284)
- continuing operations		(345,254)	(57,900)	-	-
- discontinued operation		-	5,725	-	-
<u>Adjustments for:</u>					
Bad debts written off		-	185	-	1
Depreciation of property, plant and equipment	5,13(b)	13,329	13,256	25	43
Finance lease receivable written off		-	141	-	-
Forfeiture of deposits, net		-	20	-	-
(Gain)/Loss on disposal of property, plant and equipment, net		(298)	-	6	-
Impairment losses on:					
- assets held for sale	13,21	-	2,961	-	847
- investment in subsidiary	7	-	-	-	27,639
- trade receivables	6	3,918	4,644	-	-
- other receivables	6,13(b)	3,991	4,080	1,000	30,206
- contract assets		3,407	-	3,407	-
Interest income		(2,266)	(202)	(10,991)	(14,620)
Interest expense	13,20	44,029	21,485	27,836	18,248
Inventories written down	10	193	598	-	-
Inventories written off	10	180	111	-	-
Loss/(Gain) on disposal of assets classified as held for sale	13	1,316	(3,618)	19,023	-
Loss on derecognition of subsidiaries	7	135,476	-	205,806	-
Loss on disposal of subsidiaries	7	12,123	-	91,771	-
Property, plant and equipment written off	5	-	82	-	44

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024** (continued)

	Note	Group		Company	
		1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
<b>Cash flows from operating activities</b> (continued)					
<u>Adjustments for:</u> (continued)					
Reversal of allowance for impairment loss of trade receivables	6	(4,013)	(2,140)	(79,481)	-
Reversal of provision for inventories obsolescence	10	(23)	(194)	-	-
Share of results of an associate		(205)	(234)	-	-
Unrealised gain on foreign exchange, net		(115)	(3,667)	-	-
Waiver of debts		(10)	(2,190)	(10)	-
<b>Operating (loss)/profit before working capital changes</b>		(134,222)	(16,857)	3,732	1,124
<u>Changes in working capital:</u>					
Inventories		14,740	44,622	-	-
Receivables		98,177	36,818	1,126	(1,173)
Contract assets		7,643	774	-	-
Contract liabilities		(24,345)	17,542	-	(26)
Payables		35,367	(28,889)	261,880	3,222
Net cash generated (used in)/from operations		(2,640)	54,010	266,738	3,147
Interest paid		(44,029)	(21,485)	(27,836)	(5,261)
Tax refunded/(paid), net		3,449	(1,551)	-	-
<b>Net cash (used in)/from operating activities</b>		(43,220)	30,974	238,902	(2,114)

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024 (continued)**

	Note	Group		Company	
		1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
<b>Cash flows from investing activities</b>					
Investment in an associate	8	-	(1,476)	-	-
Proceeds from disposal of assets held for sale		23,519	37,328	-	-
Purchase of property, plant and equipment	(a)	(1,839)	(2,723)	(7)	(41)
Proceeds from disposal of property, plant and equipment		3,762	5	4	5
Net change in pledged deposits	12	-	(669)	-	-
Repayment from subsidiaries		-	-	4,074	4,601
Interest received		2,266	202	10,991	23
Net cash from/(used in) investing activities		<u>27,708</u>	<u>32,667</u>	<u>15,062</u>	<u>4,588</u>
<b>Cash flows from financing activities</b>	(b)				
Advances from a related party		-	1	-	1
Repayment to subsidiaries		-	-	(249,344)	(1,643)
Repayment of loans and borrowings, net		(5,024)	(54,272)	(5,107)	-
Payment of lease liabilities		<u>(1,020)</u>	<u>(408)</u>	<u>-</u>	<u>-</u>
Net cash used in financing activities		<u>(6,044)</u>	<u>(54,679)</u>	<u>(254,451)</u>	<u>(1,642)</u>
Net (decrease)/increase in cash and cash equivalents		(21,556)	8,962	(487)	832
<b>Cash and cash equivalents at beginning of the financial period/year</b>		22,409	13,345	107	(725)
Effect of exchange rate changes on cash and cash equivalents		<u>-</u>	<u>102</u>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at end of the financial period/year</b>	12	<u><u>853</u></u>	<u><u>22,409</u></u>	<u><u>(380)</u></u>	<u><u>107</u></u>

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024** (continued)

(a) Purchase of property, plant and equipment:

	<b>Group</b>		<b>Company</b>	
	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>
Purchase of property, plant and equipment	1,839	2,906	7	41
Financed by way of lease arrangements	-	183	-	-
<b>Cash payments on purchase of property, plant and equipment</b>	<b>1,839</b>	<b>2,723</b>	<b>7</b>	<b>41</b>

(b) Reconciliation of liabilities arising from financing activities:

<b>Group</b>	<b>1.6.2023 RM'000</b>	<b>Cash flows RM'000</b>	<b>Non-cash</b>		<b>30.11.2024 RM'000</b>
			<b>Acquisition of new leases RM'000</b>	<b>Others RM'000</b>	
Amount owing to a director	3	-	-	-	3
Amount owing to a related party	1	-	-	-	1
Lease liabilities	1,020	(1,020)	-	-	-
Loans and borrowings, net of bank overdrafts	387,514	(5,024)	-	(255,735)	126,755
	<b>388,538</b>	<b>(6,044)</b>	<b>-</b>	<b>(255,735)</b>	<b>126,759</b>

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024** (continued)

(b) Reconciliation of liabilities arising from financing activities: (continued)

Group	1.6.2022 RM'000	Cash flows RM'000	Non-cash		31.5.2023 RM'000
			Acquisition of new leases RM'000	Others RM'000	
Amount owing to a director	3	-	-	-	3
Amount owing to a related party	-	1			1
Lease liabilities	1,245	(408)	183	-	1,020
Loans and borrowings, net of bank overdrafts	441,565	(54,272)	-	221	387,514
	<u>442,813</u>	<u>(54,679)</u>	<u>183</u>	<u>221</u>	<u>388,538</u>

Company	1.6.2023 RM'000	Cash flows RM'000	30.11.2024 RM'000
Amounts owing to subsidiaries	340,747	(249,344)	91,403
Amount owing to a director	3	-	3
Amount owing to a related party	1	-	1
Loans and borrowings, net of bank overdrafts	114,775	(5,107)	109,668
	<u>455,526</u>	<u>(254,451)</u>	<u>201,075</u>

	1.6.2022 RM'000	Cash flows RM'000	Non-cash		31.5.2023 RM'000
			Others RM'000		
Amounts owing to subsidiaries	329,403	(1,643)	12,987		340,747
Amount owing to a director	3	-	-		3
Amount owing to a related party	-	1	-		1
Loans and borrowings, net of bank overdrafts	114,775	-	-		114,775
	<u>444,181</u>	<u>(1,642)</u>	<u>12,987</u>		<u>455,526</u>

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024** (continued)

(c) Total cash outflows for leases as a lessee:

		Group		Company	
		1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
	Note				
<b>Included in net cash (used in)/from operating activities:</b>					
Payment relating to short-term leases	21	823	675	78	-
Payment relating to leases of low value assets	21	6	11	-	-
Interest paid in relation to lease liabilities	20	30	45	-	-
<b>Included in net cash used in financing activities:</b>					
Payment of lease liabilities		1,020	408	-	-
<b>Total cash outflows for leases</b>		<b>1,879</b>	<b>1,139</b>	<b>78</b>	<b>-</b>

The accompanying notes form an integral part of these financial statements.



**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

Sarawak Cable Berhad (Interim Judicial Manager Appointed) (“the Company”) is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding, contractors and infrastructure development, provision of management and consultancy services. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial period. On 9 July 2024, the High Court of Malaya at Kuala Lumpur under Originating Summon No. WA-28JM-21-07/2024 had appointed Lim Sin Han of Messrs Sin Han & Co. PLT as the Interim Judicial Manager (“IJM”) of the Company. The next hearing of the Originating Summon No. WA-28JM-21-07/2024 is on 9 May 2025.

The principal place of business and registered office of the Company is located at Lot 767, Block 8, Muara Tebas Land District, Demak Laut Industrial Estate Phase III, Jalan Bako, 93050 Kuching, Sarawak.

The IJM had authorised the Board of Directors of the Company to sign and executed the audited financial statements for the financial period ended 30 November 2024 of the Company. The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 March 2025.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**2.2 Adoption of new MFRS and amendments to MFRSs**

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial period:

New MFRS

MFRS 17	Insurance Contracts
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Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

## 2. BASIS OF PREPARATION (continued)

### 2.2 Adoption of new MFRS and amendments to MFRSs (continued)

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below:

#### ***Amendments to MFRS 101 Presentation of Financial Statements***

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company

### 2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- 2.3.1** The Group and the Company are currently assessing the impact of initial application of the above applicable new MFRSs and amendments to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

## **2. BASIS OF PREPARATION (continued)**

### **2.4 Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest RM'000, unless otherwise stated.

### **2.5 Basis of measurement**

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

### **2.6 Fundamental accounting principle**

The financial statements of the Group and the Company have been prepared on the assumption that the Group and Company will continue as going concerns. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and liquidate their liabilities in the normal course of business.

During the financial period ended 30 November 2024, the Group and the Company incurred net loss of RM343.7 million and RM254.7 million respectively. As of that date, the Group's and the Company's current liabilities exceeded their current assets by RM414.5 million and RM450.5 million respectively and recorded a capital deficiency of RM397.5 million and RM359.2 million respectively.

On 30 September 2022, the Company announced that it had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of PN17 of the Main Market Listing Rules ("MMLR") of Bursa Securities. Hence, on even date, the Company is considered as a PN17 listed issuer.

The aforementioned events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Nevertheless, the directors continued to prepare the financial statements on a going concern basis.

The Company and six of its subsidiaries had obtained a Court Order on 29 September 2022 for an Originating Summons pursuant to Section 366 and Section 368 of the Act before the Kuching High Court. On 9 June 2023, the High Court granted the Group's application to extend the Restraining Order for a further three months to 9 September 2023.

The Group has formulated a plan ("Proposed Regularisation Plan") to regularise its financial conditions in tandem with the Proposed Scheme of Arrangement. The proposed plan is as follows:

- (a) a proposed asset revaluation of the Company's and its subsidiaries assets to reflect its estimated economic value;
- (b) a proposed share capital reduction via the cancellation of the Company's paid-up share capital which is not represented by its available assets;
- (c) a proposed issuance of new shares to raise funds for capital and settlement of creditors outstanding debts due and owing; and
- (d) a proposed scheme of arrangement and compromise pursuant to Sections 366, 368 and 369 and other relevant provisions of the Act in respect of the amounts owing to the scheme creditors at the date on which the Court grants the order to conduct a Court Convened Meeting ("Proposed Scheme of Arrangement (SOA)") for the Company and the six subsidiaries. The Proposed SOA is undertaken by the Company and the six subsidiaries and the details of the SOA have not been finalised.

**2. BASIS OF PREPARATION (continued)**

**2.6 Fundamental accounting principle (continued)**

The Group obtained the High Court's order for leave to convene the Court Convened Meeting ("CCM") on 9 June 2023. The directors of the Company are of the opinion that the focus of the Proposed Regularisation Plan is the proposed capital reduction and proposed issuance of new shares with the intention to restore the Company's shareholders fund and relief the Company from PN17 classification. The Group intends to actively engage with the creditors and bankers to facilitate the successful implementation of the proposed SOA.

On 5 September 2023, an Explanatory Statement was furnished to all various classes of creditors to vote for the proposed SOA at a scheduled court convened meeting on 26 September 2023 and the Proposed SOA has been rejected.

On 9 October 2023, the Company's wholly-owned subsidiaries, Leader Cable Industry Berhad ("LCIB") and Universal Cable (M) Berhad ("UCM") had received winding up petition served by a financial institution ("Petitioner"). LCIB and UCM were indebted to the Petitioner a sum of RM46,158,000 and RM28,352,180 respectively as at 15 September 2022 with interest that continue to accrue to the Petitioner.

On 15 May 2024, the Honorable Court allowed the Petition and ordered the winding-up of LCIB and UCM and also appointed joint and several liquidators for LCIB and UCM.

On 9 July 2024, the High Court of Malaya at Kuala Lumpur under Originating Summon No. WA-28JM-21-07/2024 had appointed Lim Sin Han of Messrs Sin Han & Co. PLT as the Interim Judicial Manager ("IJM") of the Company. The next hearing of the Originating Summon No. WA-28JM-21-07/2024 is on 9 May 2025.

The directors of the Company have not finalised the whole Proposed Regularisation Plan. The Proposed Regularisation Plan is subject to the Company's shareholders' and relevant regulatory approvals. The directors believe there will be favourable outcome from the Proposed Regularisation Plan. Nonetheless, the directors of the Company had passed a directors' circular resolution on 26 September 2024 to appoint Malacca Securities Sdn. Bhd. as the principal adviser, sole placement agent and sole underwriter of the Company's regularisation plan. The IJM had on 27 September 2024 signed the engagement letter for the appointment of Malacca Securities Sdn. Bhd.

The directors are of the opinion that the Group and the Company will be able to continue as going concerns for the foreseeable future. The ability of the Group and of the Company to continue as going concerns is dependent on:

- (a) the timely and successful implementation of the Group's Proposed Regularisation Plan;
- (b) the ability of the subsidiaries to generate sufficient cash flows to meet the obligations of the Group and of the Company; and
- (c) the continuing supports from their bankers and creditors.

If these events are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements of the Group and the Company may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial period/year presented in the financial statements of the Group and of the Company.

#### **3.1 Basis of consolidation**

##### **(a) Subsidiaries and business combination**

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

##### **(b) Non-controlling interests**

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

##### **(c) Associate**

Investment in an associate is accounted for in the consolidated financial statements of the Group using the equity method.

#### **3.2 Separate financial statements**

In the Company's statement of financial position, investment in subsidiaries and associate are measured at cost less any accumulated impairment losses.

#### **3.3 Financial instruments**

##### **Financial assets – subsequent measurement and gains and losses**

###### Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### **Financial liabilities - subsequent measurement and gains and losses**

###### Financial liabilities at amortised cost

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All property, plant and equipment (other than right-of-use assets as disclosed in Note 3.5) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Land and buildings	20 to 62 years
Motor vehicles	5 years
Plant and machinery	5 to 20 years
Office equipment	5 to 6 years
Furniture, fittings and equipment	6 years
Renovation	6 to 50 years

#### 3.5 Leases

##### (a) Lessee accounting

The Group presents right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 16.

##### Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

##### Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

##### Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

##### (b) Lessor accounting

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **3.6 Inventories**

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase cost on weighted average method.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **3.7 Revenue and other income**

##### **(a) Sale of goods**

Revenue from sale of goods is recognised at a point in time when control of the goods has been transferred to the customer. Payment terms are either on cash terms or on credit terms of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

##### **(b) Construction contracts**

Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control is transferred over time as the Group and the Company create or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term ranging from 30 to 60 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group and the Company become entitled to invoice customers based on achieving a series of performance-related milestones.

The Group and the Company recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group and the Company recognise a contract liability for the difference.

##### **(c) Interest income**

Interest income is recognised using the effective interest method.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**3.7 Revenue and other income (continued)**

**(d) Interest income from lease receivables**

Interest income from lease receivables is recognised in the profit or loss using the effective interest rate method. The normal credit term is 30 days upon billings.

**(e) Management fees and consultancy fees**

Management fees and consultancy fees are recognised net of discount when services are rendered. The normal credit term is 30 days upon billings.

**(f) Rental income**

Rental income is accounted for on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

**(g) Dividend income**

Dividend income is recognised when the Group's right to receive payment is established.

**3.8 Deferred tax**

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.



**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

**(a) Impairment of trade receivables and contract assets**

The impairment provisions for trade receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit losses for trade receivables and contract assets. The provision rates are depending on the number of days that a trade receivable is past due.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the trade receivables and contract assets. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's trade receivables and contract assets are disclosed in Note 28(a).

**(b) Impairment of property, plant and equipment**

The Group assesses impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

During the current financial period, the Group carried out impairment tests on property, plant and equipment related to the manufacturing segment. The carrying amount of the property, plant and equipment may be impaired due to operating losses sustained by the subsidiaries carrying on the manufacturing business. Management has determined the recoverable amounts of these assets based on their fair value less costs to sell.

The fair value less cost to sell of the manufacturing plants were derived based on valuations performed by external valuers. Due to the lack of comparable market data for similar manufacturing building, plant and equipment, significant estimates and judgement were used to determine the fair value less cost to sell. The recoverable amount is sensitive to the expected costs to build similar structures and adjustments necessary to reflect the obsolescence and depreciation.

The carrying amounts of property, plant and equipment are disclosed in Note 5.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**

**(c) Construction revenue**

The Group and the Company recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group and the Company evaluate based on past experience and by relying on the work of specialists.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 11.

**(d) Write-down of obsolete or slow moving inventories**

The Group writes down its obsolete or slow moving inventories based on the assessment of its estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 10.

5. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Office equipment RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Capital work-in- progress RM'000	Right- of-use assets RM'000	Total RM'000
<b>Group</b>									
<b>2024</b>									
<b>Cost</b>									
At 1 June 2023	163,185	7,531	355,392	4,028	81,738	921	2,147	17,404	632,346
Additions	351	-	1,273	30	160	13	12	-	1,839
Disposal/Derecognition of subsidiaries (Note 7)	(119,739)	(5,513)	(283,275)	(395)	(80,548)	(66)	(2,142)	(10,385)	(502,063)
Disposals	-	(710)	(42,736)	(14)	(298)	-	-	-	(43,758)
Written off	-	-	(870)	(325)	(6)	(1)	-	-	(1,202)
At 30 November 2024	43,797	1,308	29,784	3,324	1,046	867	17	7,019	87,162
<b>Accumulated depreciation</b>									
At 1 June 2023	28,635	7,091	309,915	3,900	67,634	420	-	8,729	426,324
Depreciation charge for the financial period (Note 21)	2,963	176	7,231	68	1,730	21	-	1,140	13,329
Disposal/Derecognition of subsidiaries (Note 7)	(15,110)	(5,488)	(248,055)	(385)	(68,017)	-	-	(6,603)	(343,658)
Disposals	-	(473)	(39,519)	(4)	(298)	-	-	-	(40,294)
Written off	-	-	(870)	(325)	(6)	(1)	-	-	(1,202)
At 30 November 2024	16,488	1,306	28,702	3,254	1,043	440	-	3,266	54,499
<b>Carrying amount</b>									
At 1 June 2023	134,550	440	45,477	128	14,104	501	2,147	8,675	206,022
At 30 November 2024	27,309	2	1,082	70	3	427	17	3,753	32,663

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Office equipment RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Capital work-in- progress RM'000	Right- of-use assets RM'000	Total RM'000
<b>Group</b>									
<b>2023</b>									
<b>Cost</b>									
At 1 June 2022	162,908	7,750	353,798	3,996	81,527	921	1,726	17,221	629,847
Additions	277	30	1,519	57	304	-	536	183	2,906
Disposals	-	-	-	(9)	-	-	-	-	(9)
Written off	-	(249)	(40)	(16)	(93)	-	-	-	(398)
Reclassification	-	-	115	-	-	-	(115)	-	-
At 31 May 2023	163,185	7,531	355,392	4,028	81,738	921	2,147	17,404	632,346
<b>Accumulated depreciation</b>									
At 1 June 2022	26,215	7,037	302,566	3,864	65,668	408	-	7,635	413,393
Depreciation charge for the financial year (Note 21)	2,420	261	7,389	54	2,021	12	-	1,094	13,251
Disposals	-	-	-	(4)	-	-	-	-	(4)
Written off	-	(207)	(40)	(14)	(55)	-	-	-	(316)
At 31 May 2023	28,635	7,091	309,915	3,900	67,634	420	-	8,729	426,324
<b>Net carrying amount</b>									
At 1 June 2022	136,693	713	51,232	132	15,859	513	1,726	9,586	216,454
At 31 May 2023	134,550	440	45,477	128	14,104	501	2,147	8,675	206,022

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Motor vehicles RM'000	Office equipment RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Total RM'000
<b>Company</b>					
<b>2024</b>					
<b>Cost</b>					
At 1 June 2023	190	513	297	135	1,135
Additions	-	7	-	-	7
Disposal	-	(14)	-	-	(14)
Written off	-	(219)	(1)	(1)	(221)
At 30 November 2024	190	287	296	134	907
<b>Accumulated depreciation</b>					
At 1 June 2023	188	462	291	131	1,072
Depreciation charge for the financial period (Note 21)	1	19	3	2	25
Disposal	-	(4)	-	-	(4)
Written off	-	(219)	(1)	(1)	(221)
At 30 November 2024	189	258	293	132	872
<b>Net carrying amount</b>					
At 1 June 2023	2	51	6	4	63
At 30 November 2024	1	29	3	2	35

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Motor vehicles RM'000	Office equipment RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Total RM'000
<b>Company</b>					
<b>2023</b>					
<b>Cost</b>					
At 1 June 2022	439	484	297	135	1,355
Additions	-	41	-	-	41
Disposal	-	(5)	-	-	(5)
Written off	(249)	(7)	-	-	(256)
At 31 May 2023	190	513	297	135	1,135
<b>Accumulated depreciation</b>					
At 1 June 2022	373	450	287	131	1,241
Depreciation charge for the financial year (Note 21)	22	17	4	-	43
Written off	(207)	(5)	-	-	(212)
At 31 May 2023	188	462	291	131	1,072
<b>Net carrying amount</b>					
At 1 June 2022	66	34	10	4	114
At 31 May 2023	2	51	6	4	63

**5. PROPERTY, PLANT AND EQUIPMENT** (continued)

- (a) The carrying amount of property, plant and equipment of the Group pledged to the licensed banks for credit facilities granted are as follows (Note 16):

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Land and buildings	27,309	79,726
Motor vehicles	-	361
Plant and machinery	1,082	1,566
Office equipment	29	33
	<u>28,420</u>	<u>81,686</u>

- (b) Right-of use assets

The Group leases several assets including leasehold land and office buildings.

Information about leases for which the Group is lessee is presented below:

	<b>Leasehold land RM'000</b>	<b>Office Buildings RM'000</b>	<b>Hostel RM'000</b>	<b>Total RM'000</b>
<b>Group</b>				
<b>Carrying amount</b>				
At 1 June 2022	8,465	1,121	-	9,586
Additions	-	-	183	183
Depreciation charge for the financial year	<u>(702)</u>	<u>(336)</u>	<u>(56)</u>	<u>(1,094)</u>
At 31 May 2023	7,763	785	127	8,675
Depreciation charge for the financial period	<u>(744)</u>	<u>(336)</u>	<u>(60)</u>	<u>(1,140)</u>
Derecognition of subsidiaries	<u>(3,266)</u>	<u>(449)</u>	<u>(67)</u>	<u>(3,782)</u>
At 30 November 2024	<u>3,753</u>	<u>-</u>	<u>-</u>	<u>3,753</u>

The Group leases leasehold land and office buildings for its office space and operations. The remaining useful life for the leasehold land is between 25 to 38 years (2023: 14 to 64 years) and the leases for office buildings generally have lease terms between 1 to 3 years (2022: 1 to 3 years).

6. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current:</b>					
<b>Trade receivables</b>					
- Retention sum	(b)	6,730	13,300	6,730	6,730
- Trade receivables from contracts with customers		-	2,283	-	-
		6,730	15,583	6,730	6,730
Less: Allowance of impairment loss					
- Third parties	(a)	-	(323)	-	-
<b>Total trade receivables (non-current)</b>	(a)	<u>6,730</u>	<u>15,260</u>	<u>6,730</u>	<u>6,730</u>
<b>Current:</b>					
<b>Trade receivables</b>					
- Trade receivables from contracts with customers		2,630	81,127	17	4,402
- Retention sum	(b)	-	2,746	-	1,683
- Related parties		-	9	-	-
		2,630	83,882	17	6,085
Less: Allowance of impairment loss					
- Third parties		(2,345)	(8,519)	-	-
	(a)	<u>285</u>	<u>75,363</u>	<u>17</u>	<u>6,085</u>



6. TRADE AND OTHER RECEIVABLES (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Other receivables</b>					
- Third parties		12,835	7,879	11,812	5,284
- Related parties	(c)	-	303	-	-
- Amounts owing by subsidiaries	(c)	-	-	158,865	242,420
		12,835	8,182	170,677	247,704
Less: Allowance of impairment loss					
- Third parties		(1,543)	(286)	(1,000)	-
- Subsidiaries		-	-	(142,209)	(221,690)
	(a)	(1,543)	(286)	(143,209)	(221,690)
Total other receivables, net		11,292	7,896	27,468	26,014
Prepayments	(d)	111	6,886	68	644
GST refundable		-	14	-	-
Deposits	(e)	6,587	17,763	15	25
		17,990	32,559	27,551	26,683
<b>Total trade and other receivables (current)</b>		18,275	107,922	27,568	32,768
<b>Total trade and other receivables (non-current and current)</b>		25,005	123,182	34,298	39,498

**6. TRADE AND OTHER RECEIVABLES (continued)**

(a) Credit term of trade receivables

Trade receivables are non-interest bearing and the Group's and the Company's normal trade credit terms extended to customers ranging from 30 to 90 days (2023: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions.

Receivables that are impaired

The movement in the impairment of trade and other receivables are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Trade receivables</b>				
At beginning of the financial period/year	8,842	8,177	-	-
Charge for the financial period/year (Note 21)				
- Individually assessed	3,918	2,255	-	-
- Collectively assessed	-	2,389	-	-
Reversal of impairment losses (Note 21)	(4,013)	(2,140)	-	-
Written off	(47)	(1,839)	-	-
Disposal/Derecognition of subsidiaries	(6,355)	-	-	-
At end of the financial period/year	<u>2,345</u>	<u>8,842</u>	<u>-</u>	<u>-</u>
<b>Other receivables</b>				
At beginning of the financial period/year	286	-	221,690	191,484
Charge for the financial period/year (Note 21)				
- individually assessed	3,991	286	1,000	30,206
Reversal of impairment losses (Note 21)	-	-	(79,481)	-
Written off	(41)	-	-	-
Disposal/Derecognition of subsidiaries	(2,693)	-	-	-
At end of the financial period/year	<u>1,543</u>	<u>286</u>	<u>143,209</u>	<u>221,690</u>

## 6. TRADE AND OTHER RECEIVABLES (continued)

- (b) Included in trade receivables of the Group and the Company are retention sum of RM6.7 million and RM6.7 million (2023: RM16.0 million and RM8.4 million) respectively relating to construction work-in-progress. Retention sums are unsecured, interest-free and are expected to be collected within the period of normal operating cycle.
- (c) Amounts owing by subsidiaries and related parties are non-trade in nature, unsecured, bear interest at rates of 5% (2023: 3.35% to 5.92%) per annum and repayable upon demand in cash.
- (d) In the previous financial year, included in prepayments of the Group are down payments made to suppliers of the RM3.7 million for the purchase of materials.
- (e) Included in deposits of the Group are deposits paid for performance security of RM6.4 million (2023: RM14.5 million) extended to trade customers.
- (f) The foreign currency exposure profile of the trade and other receivables of the Group is as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Singapore Dollar	-	337
United States Dollar	-	2,339

- (g) The information about the credit exposures are disclosed in Note 28(a).

## 7. INVESTMENT IN SUBSIDIARIES

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Unquoted shares, at cost</b>		
At beginning of the financial period/year	457,769	457,769
Disposal/Derecognition of subsidiaries	(290,081)	-
At end of the financial period/year	167,688	457,769
Less: Impairment loss		
At beginning of the financial period/year	(149,954)	(122,315)
Impairment loss	-	(27,639)
Disposal/Derecognition of subsidiaries	84,192	-
At end of the financial period/year	(65,762)	(149,954)
	101,926	307,815

## **7. INVESTMENT IN SUBSIDIARIES**

The details of the subsidiaries are as follows:

<b>Name of subsidiaries</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Ownership interest</b>	
			<b>2024</b>	<b>2023</b>
Universal Cable (Sarawak) Sdn. Bhd.	Malaysia	Manufacture and sale of power cables and wires	100%	100%
Sarawak Power Solution Sdn. Bhd. +	Malaysia	Dormant	-	100%
Sarwaja Timur Sdn. Bhd.	Malaysia	Manufacturing, fabrication, galvanising and sale of steel structures	100%	100%
Trenergy Infrastructure Sdn. Bhd. +	Malaysia	General contractors and infrastructure	-	100%
PT Inpola Mitra Elektrindo +	Indonesia	Designing, financing construction of independent and mini hydro power plant	-	78%
Aerial Power Lines Sdn. Bhd.	Malaysia	Power lines construction, inspection and maintenance services and provide of chartered or non-scheduled helicopter services	100%	100%
Leader Cable Industry Berhad #	Malaysia	Manufacture and sale of telecommunication and power cables	-	100%
Universal Cable (M) Berhad #	Malaysia	Manufacture and sale of telecommunication and power cables	-	100%
SCMI Sdn. Bhd. +	Malaysia	Undertaking engineering and construction projects	-	55%

## 7. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

- + Disposed during the current financial period.
- # Derecognised during the current financial period pursuant to wound up by High Court of Malaysia.

### (a) Disposals of subsidiaries

#### Trenergy Infrastructure Sdn. Bhd. ("TISB")

On 7 September 2023, the Company had entered into a Share Subscription Agreement with Bilun Borneo Sdn. Bhd. ("The Purchaser") to dispose of a wholly-owned subsidiary, TISB. The share transfer was completed on 9 October 2023.

#### SCMI Sdn. Bhd. ("SCMI")

During the financial period, the Company has disposed 55% equity interest in share capital of SCMI.

#### Sarawak Power Solution Sdn. Bhd. ("SPSSB")

During the financial period, the Company has disposed a wholly-owned subsidiary, SPSSB.

#### (i) Summary of the effects of disposals

	<b>TISB</b> <b>RM'000</b>	<b>SCMI</b> <b>RM'000</b>	<b>SPSSB</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Assets</b>				
Property, plant and equipment	23	-	-	23
Trade and other receivables	17,519	667	-	18,186
Contract assets	4,786	-	-	4,786
Tax assets	21	5	-	26
Cash and bank balances	6,057	1	3	6,061
	28,406	673	3	29,082
<b>Liabilities</b>				
Trade and other payables	(14,231)	(522)	(1)	(14,754)
Contract liabilities	(962)	-	-	(962)
Net assets disposed	13,213	151	2	13,366
<b>Recognised:</b>				
Cash consideration received, representing the fair value of the consideration received	1,400	-	-	1,400
<b>Derecognised:</b>				
Non-controlling interests	-	157	-	157
Fair value of identified net assets at disposal date	13,213	151	2	13,366
	13,213	308	2	13,523
Loss on disposals	(11,813)	(308)	(2)	(12,123)

**7. INVESTMENT IN SUBSIDIARIES** (continued)

**(a) Disposals of subsidiaries** (continued)

(ii) Effects of disposals on cash flows

	<b>TISB RM'000</b>	<b>SCMI RM'000</b>	<b>SPSSB RM'000</b>	<b>Total RM'000</b>
Fair value of consideration received	1,400	-	-	1,400
Less: Non-cash consideration	(1,400)	-	-	(1,400)
Net cash inflows of disposals	-	-	-	-

**(b) Derecognition of subsidiaries**

On 9 October 2023, the Company's wholly-owned subsidiaries, Leader Cable Industry Berhad ("LCIB") and Universal Cable (M) Berhad ("UCM") had received winding up petition served by a financial institution ("Petitioner"). LCIB and UCM were indebted to the Petitioner a sum of RM46,158,000 and RM28,352,180 respectively as at 15 September 2022 with interest that continue to accrue to the Petitioner.

On 15 May 2024, the Honorable Court allowed the Petition and ordered the winding-up of LCIB and UCM and also appointed joint and several liquidators for LCIB and UCM.

(i) Summary of the effects of derecognition

	<b>LCIB RM'000</b>	<b>UCM RM'000</b>	<b>Total RM'000</b>
<b>Assets</b>			
Property, plant and equipment	43,848	114,534	158,382
Investment in an associate	-	1,084	1,084
Inventories	29,125	21,246	50,371
Trade and other receivables	241,029	14,661	255,690
Tax assets	7,070	1,166	8,236
Cash and bank balances	21,030	7,799	28,829
Others	-	6,414	6,414
	<u>342,102</u>	<u>166,904</u>	<u>509,006</u>
<b>Liabilities</b>			
Loans and borrowings	(145,835)	(122,826)	(268,661)
Trade and other payables	(39,903)	(27,926)	(67,829)
Contract liabilities	(6,440)	-	(6,440)
Deferred tax liabilities	(8,627)	(21,973)	(30,600)
Net assets derecognised	<u>141,297</u>	<u>(5,821)</u>	<u>135,476</u>

**7. INVESTMENT IN SUBSIDIARIES (continued)**

**(c) Derecognition of subsidiaries (continued)**

(i) Summary of the effects of derecognition (continued)

	LCIB RM'000	UCM RM'000	Total RM'000
<b>Recognised:</b>			
Cash consideration received, representing the fair value of the consideration received	-	-	-
<b>Derecognised:</b>			
Fair value of identified net assets at derecognition date	141,297	(5,821)	135,476
Loss on derecognition	(141,297)	5,821	(135,476)

**(d) Subsidiary pledged as securities**

In the previous financial year, investments in subsidiaries with a carrying amount of RM205.8 million were pledged as securities for the borrowings as referred in Note 16.

**(e) Non-controlling interests in subsidiaries**

Information on non-controlling interest in PT IME in the previous financial year was disclosed in Note 13.

**8. INVESTMENT IN AN ASSOCIATE**

	Group	
	2024 RM'000	2023 RM'000
<b>Unquoted shares, at cost</b>		
At beginning of the financial period/year	1,476	1,476
Derecognition of an associate	(1,476)	-
At end of the financial period/year	-	1,476
<b>Share of post-acquisition reserves</b>		
At beginning of the financial period/year	234	-
Share of results	205	234
Derecognition of an associate	(439)	-
At end of the financial period/year	-	234
	-	1,710

**8. INVESTMENT IN AN ASSOCIATE** (continued)

The associate is accounted for using the equity method in the consolidated financial statements.

Details of the associate are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Ownership Interest		Principal Activities
		2024	2023	
Power Grid Cables N.T. PTY. LTD. ^	Australia	-	20%	Supplier of distribution, transmission, industrial, commercial, and mining power cables

^ Equity accounted using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial period/year end.

Power Grid Cables N.T. PTY. LTD. ("PGC") is indebted to a subsidiary of the Company, Universal Cable (M) Berhad ("UCM") in the amount of USD1.8 million as at 31 March 2021. On 26 July 2021, PGC and UCM entered into Debt-To-Equity Conversion Agreement with a view of a debt to-equity swap for PGC to partially settle the outstanding amount to UCM. In the previous financial year, the amount owing by PGC was converted into 25 shares of AUD20,000 per share, representing 20% equity shares in PGC.

On 9 October 2023, UCM had received winding up petition served by a financial institution ("Petitioner"). UCM was indebted to the Petitioner a sum of RM28,352,180 as at 15 September 2022 with interest that continue to accrue to the Petitioner.

On 15 May 2024, the Honorable Court allowed the Petition and ordered the winding-up of the UCM and also appointed joint and several liquidators for UCM.



**8. INVESTMENT IN AN ASSOCIATE** (continued)

The following table illustrates the summarised financial information of the Group's associate and reconciles the information to the carrying amount of the Group's interests in the associate:

	<b>Power Grid Cables N.T. PTY. LTD.</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
<b>Assets and Liabilities</b>		
Current assets	9,764	7,990
Non-current assets	156	209
Current liabilities	(4,046)	(2,030)
Non-current liabilities	(18)	(18)
Net assets	<u>5,856</u>	<u>6,151</u>
<b>Reconciliation of net assets to carrying amount:</b>		
Group's share in %	<u>20%</u>	<u>20%</u>
Share of net assets at the acquisition date	1,014	1,014
Goodwill	<u>462</u>	<u>462</u>
Cost of investments	1,476	1,476
Share of post-acquisition profit	439	234
Derecognition of an associate	<u>(1,915)</u>	<u>-</u>
Carrying amount in the statements of financial position	<u>-</u>	<u>1,710</u>
<b>Results:</b>		
Profit for the financial year	1,023	1,170
Total comprehensive income	<u>1,023</u>	<u>1,170</u>

**9. DEFERRED TAX ASSETS/(LIABILITIES)**

Deferred tax relates to the following:

	At 1.6.2022 RM'000	Recognised in profit or loss RM'000	At 31.5.2023 RM'000	Recognised in profit or loss RM'000	At 30.11.2024 RM'000
<b>Group</b>					
<b>Deferred tax assets</b>					
Allowance for expected credit losses	(1,897)	1,897	-	-	-
Differences between the carrying amounts of property, plant and equipment and their tax base	(299)	299	-	-	-
Provisions	(816)	816	-	-	-
Unutilised tax losses	(3,098)	3,098	-	-	-
Unabsorbed capital allowances	(35,315)	35,315	-	-	-
Others	(226)	226	-	-	-
	<u>(41,651)</u>	<u>41,651</u>	<u>-</u>	<u>-</u>	<u>-</u>

9. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Deferred tax relates to the following: (continued)

	<----- Recognised in ----->			<----- Recognised in ----->			
	At 1.6.2022 RM'000	Profit or loss RM'000	Other comprehensive income RM'000	At 31.5.2023 RM'000	Profit or loss RM'000	Others RM'000	At 30.11.2024 RM'000
<b>Group</b>							
<b>Deferred tax liabilities</b>							
Differences between the carrying amounts of property, plant and equipment and their tax base	28,148	2,339	-	30,487	(2,352)	(23,174)	4,961
Unrealised gain on foreign exchange	200	(137)	-	63	(56)	-	7
Others	126	(52)	-	74	-	-	74
Derivatives	(247)	-	247	-	-	-	-
	<u>28,227</u>	<u>2,150</u>	<u>247</u>	<u>30,624</u>	<u>(2,408)</u>	<u>(23,174)</u>	<u>5,042</u>

**9. DEFERRED TAX ASSETS/(LIABILITIES) (continued)**

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unutilised tax losses	117,922	231,116	46,041	46,041
Unabsorbed capital allowances	29,668	52,907	296	296
Other deductible temporary differences	-	5,317	-	-
	<u>147,590</u>	<u>289,340</u>	<u>46,337</u>	<u>46,337</u>
Potential deferred tax assets not recognised at 24% (2023: 24%)	<u>35,422</u>	<u>69,441</u>	<u>11,121</u>	<u>11,121</u>

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under Income Tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses are available for offset against future taxable profits of the Group and the Company up to the following financial years:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
2028	33,168	78,417	2,434	2,434
2029	29,268	36,194	18,750	18,750
2030	20,205	32,179	14,443	14,443
2031	8,565	22,948	5,069	5,069
2032	7,847	23,808	4,465	4,465
2033	10,554	37,570	880	880
2034	8,315	-	-	-
	<u>117,922</u>	<u>231,116</u>	<u>46,041</u>	<u>46,041</u>

# 10. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
Raw materials	3,747	30,760
Work-in-progress	1,120	14,650
Finished goods	1,686	16,731
Consumables	76	10,156
Stock in transit	907	535
	<u>7,536</u>	<u>72,832</u>
Inventories recognised as cost of sales during the financial period/year	<u>331,185</u>	<u>541,853</u>
Inventories written down recognised as an expense in cost of sales during the financial period/year	<u>193</u>	<u>598</u>
Inventories written off recognised as an expense in cost of sales during the financial period/year	<u>180</u>	<u>111</u>
Reversal of provision for inventories obsolescence during the financial period/year	<u>(23)</u>	<u>(194)</u>

# 11. CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Contract assets</b>				
Contract assets relating to construction service contracts	<u>-</u>	<u>7,643</u>	<u>-</u>	<u>-</u>
<b>Contract liabilities</b>				
Contract liabilities relating to construction service contracts	<u>-</u>	<u>(7,517)</u>	<u>-</u>	<u>(6,415)</u>
Contract liabilities relating to goods sold	<u>-</u>	<u>(16,828)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>(24,345)</u>	<u>-</u>	<u>(6,415)</u>

11. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Significant changes in contract balances

	2024		2023	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
<b>Group</b>				
Revenue recognised that was included in contract liabilities at the beginning of the financial period/year	-	24,345	-	6,514
Increases due to consideration received from customers, excluding amounts recognised as revenue during the period/year	-	-	-	(24,056)
Increases due to revenue recognised, but no rights to consideration	-	-	7,642	-
Decreases as a result of changes in the measure of progress	-	-	(2)	-
Transfers from contract assets recognised at the beginning of the period/year to receivables	(7,643)	-	(8,414)	-

11. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Significant changes in contract balances (continued)

	2024		2023	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
<b>Company</b>				
Revenue recognised that was included in contract liabilities at the beginning of the financial period/year	-	6,415	-	6,172
Increases due to consideration received from customers, excluding amounts recognised as revenue during the period/year	-	-	-	(6,146)

(b) Revenue recognised in relation to contract balances

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial period/year	24,345	6,514	6,415	6,172

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily revenue from the construction service contracts when percentage of completion increases.

## 12. CASH AND BANK BALANCES

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	1,242	34,391	9	2,085
Deposits placed with licensed banks	-	3,068	-	-
Cash and bank balances as presented in statements of financial position	<u>1,242</u>	<u>37,459</u>	<u>9</u>	<u>2,085</u>

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits placed with licensed banks	-	3,068	-	-
Less: Pledged deposits	<u>-</u>	<u>(3,068)</u>	<u>-</u>	<u>-</u>
	-	-	-	-
Cash and bank balances	1,242	34,391	9	2,085
Less: Bank overdrafts (Note 16)	<u>(389)</u>	<u>(11,982)</u>	<u>(389)</u>	<u>(1,978)</u>
Cash and bank balances as presented in statements of cash flows	<u>853</u>	<u>22,409</u>	<u>(380)</u>	<u>107</u>

- (a) In the previous financial year, deposits placed with licensed banks amounting to RM3.1 million of the Group were pledged as security for banking facilities granted (Note 16).
- (b) In the previous financial year, deposits placed with licensed banks of the Group earned interest at rates ranging from 1.80% to 2.50% per annum with a maturity of three months or less.
- (c) The foreign currency exposure profile of cash and bank balances of the Group are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
United States Dollar	-	118
Singapore Dollar	<u>-</u>	<u>85</u>



**13. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION**

**(a) Assets held for sale**

	2024 RM'000	2023 RM'000
<b>Group</b>		
Assets of PT IME	-	59,870
<b>Total asset held for sale</b>	-	59,870
<b>Company</b>		
Carrying amount of:		
Investment in PT IME	-	8,158
Advances to PT IME	-	104,909
	-	113,067
Less: Impairment loss	-	(72,243)
<b>Assets held for sale</b>	-	40,824

In the previous financial year, the asset held for sale were charged as securities for borrowings secured.

**(b) Discontinued operation**

In the previous financial years, the Company entered into a Conditional Share Purchase Agreement ("CSPA") to dispose of PT Inpolo Elektrindo ("PT IME"), a subsidiary in which the Company holds 78.33% equity interest for a total consideration of the disposal of the shares of RM10,000 and settlement of the Final Debt (as defined in the CSPA) of RM74.9 million, totalling RM75.0 million.

In the previous financial years, the assets and liabilities related to PT IME had been presented as assets and liabilities held for sale and its results were presented separately as loss after tax for the period from discontinued operation.

On 29 August 2023, the Company announced that the transfer of shares in PT IME from the Company to the Purchaser was completed on 28 August 2023. The net proceeds of the disposal is RM23.5 million with a loss on disposal of assets classified as held for sale of RM1.3 million and RM19.0 million recognised in profit or loss of the Group and of the Company respectively.

**13. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION** (continued)

**(b) Discontinued operation** (continued)

The major classes of assets and liabilities of PT IME classified as held for sale as at 30 November and 31 May 2023 are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Property, plant and equipment	-	15
Intangible assets	-	2,510
Concession financial assets	-	112,018
Other current assets	-	342
Cash and bank balances	-	2,420
	<hr/>	<hr/>
	-	117,305
Less: Impairment loss recognised on the remeasurement to fair value less costs to sell	-	(57,435)
	<hr/>	<hr/>
Assets of a disposal group classified as held for sale	-	59,870
	<hr/>	<hr/>

The carrying amount of asset is measured at the lower of its carrying amount and fair value less costs to sell. In the previous financial year, an impairment loss of RM2.96 million was recognised in the Group's statements of comprehensive income.

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Liabilities</b>		
Loans and borrowings	-	(17,430)
Trade and other payables	-	(3,136)
Tax payable	-	(1,964)
Deferred tax liabilities	-	(5,434)
	<hr/>	<hr/>
Liabilities of a disposal group classified as held for sale	-	(27,964)
	<hr/>	<hr/>
Net assets of a disposal group classified as held for sale	-	31,906
	<hr/>	<hr/>
Non-controlling interest in PT IME	-	4,276
	<hr/>	<hr/>

**13. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION** (continued)

**(b) Discontinued operation** (continued)

The results of PT IME results are presented below:

	<b>Group</b>	
	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>
Revenue	-	8,759
Cost of sales	-	(2,869)
Gross profit	-	5,890
Interest income	-	15
Other income	-	9,537
Administrative and other expenses	-	(5,724)
Finance costs	-	(1,032)
Impairment loss recognised on the remeasurement to fair value less costs to sell	-	(2,961)
Profit before tax from discontinued operation	-	5,725
Tax expense	-	(2,185)
Profit for the financial period/year from discontinued operation	-	3,540
Profit attributable to:		
Owners of the company	-	3,997
Non-controlling interests	-	(457)
	-	3,540

**13. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION** (continued)

**(b) Discontinued operation** (continued)

The following amounts have been included in arriving at profit before tax of discontinued operation:

	<b>Group</b>	
	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>
Auditors' remuneration		
- statutory audit	-	15
Depreciation of property, plant and equipment	-	5
Interest expense	-	1,032
Interest income	-	(15)
Impairment loss on other receivables	-	3,794
Unrealised gain on foreign exchange, net	-	(3,988)
	<u><u>-</u></u>	<u><u>(3,988)</u></u>

The net cash flows incurred by PT IME are as follows:

Net cash flows from operating activities	-	514
Net cash flows from investing activities	-	156
Net cash flows used in financing activities	-	(1,547)
	<u><u>-</u></u>	<u><u>(877)</u></u>

**14. SHARE CAPITAL**

	<b>Group and Company</b>			
	<b>Number of ordinary shares</b>		<b>&lt;----- Amounts -----&gt;</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Unit'000</b>	<b>Unit'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Issued and fully paid</b>				
<b>(no par value):</b>				
At beginning/end of the financial period/year	<u><u>398,985</u></u>	<u><u>398,985</u></u>	<u><u>267,215</u></u>	<u><u>267,215</u></u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## 15. FOREIGN CURRENCY TRANSLATION RESERVE

The translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

## 16. LOANS AND BORROWINGS

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current:</b>					
<b>Unsecured</b>					
Lease liabilities	(b)	-	587	-	-
<b>Secured</b>					
Flexi term financing-i	(a)	11,116	11,116	11,116	11,116
Hire purchase payables	(g)	-	169	-	-
		11,116	11,285	11,116	11,116
		11,116	11,872	11,116	11,116
<b>Current:</b>					
<b>Unsecured</b>					
Bankers' acceptances	(d)	8,687	8,687	8,687	8,687
Revolving credits	(e)	33,439	33,500	33,000	33,000
Term loan	(c)	12,420	12,420	-	-
Lease liabilities	(b)	-	433	-	-
Flexi term financing-i	(a)	5,374	5,472	5,374	5,472
Bank overdrafts (Note 12)	(f)	389	1,978	389	1,978
		60,309	62,490	47,450	49,137
<b>Secured</b>					
Term loan	(c)	-	-	-	-
Hire purchase payables	(g)	-	141	-	-
Bankers' acceptances	(d)	2,228	234,529	-	-
Bank overdrafts (Note 12)	(f)	-	10,004	-	-
Revolving credits	(e)	2,000	17,000	-	-
Foreign currency trade loan	(h)	-	7,980	-	-
Flexi term financing-i	(a)	51,491	56,500	51,491	56,500
		55,719	326,154	51,491	56,500
		116,028	388,644	98,941	105,637

16. LOANS AND BORROWINGS (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total loans and borrowings:					
Flexi term financing-i	(a)	67,981	73,088	67,981	73,088
Lease liabilities	(b)	-	1,020	-	-
Term loan	(c)	12,420	12,420	-	-
Bankers' acceptances	(d)	10,915	243,216	8,687	8,687
Revolving credits	(e)	35,439	50,500	33,000	33,000
Bank overdrafts (Note 12)	(f)	389	11,982	389	1,978
Hire purchase payables	(g)	-	310	-	-
Foreign currency trade loan	(h)	-	7,980	-	-
		127,144	400,516	110,057	116,753

**(a) Flexi term financing-i**

The flexi term financing-i of the Group and of the Company bear interest at a rate of 5% (2023: 5.00%) per annum.

The flexi term financing-i of the Group and of the Company amounting to RM67.6 million (2023: RM67.6 million) respectively are secured by 100% equity interest in both subsidiaries, Universal Cable (M) Berhad and Leader Cable Industry Berhad as referred in Note 7.

**16. LOANS AND BORROWINGS** (continued)

**(b) Lease liabilities**

In the previous financial year, the incremental borrowing rates applied to the lease liabilities were ranging from 3.10% to 4.40% per annum.

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Minimum lease payments:</b>		
Not later than one year	-	463
Later than one year and not later than 5 years	-	601
	-	1,064
Less: future finance charges	-	(44)
Present value of minimum lease payments	-	1,020
<b>Present value of minimum lease payments:</b>		
Not later than one year	-	433
Later than one year and not later than 5 years	-	587
	-	1,020
Less: Amount due within 12 months	-	(433)
Amount due after 12 months	-	587

**(c) Term loan**

A term loan of the Group bears interest at a rate of 5.25% (2023: 5.25%) and was secured by:

- (i) Corporate guarantee from the Company; and
- (ii) Assignment of project account.

In the previous financial year, a term loan of RM17.4 million belonging to PT IME is secured against the contract proceeds from the operation of the Mini Hydro Power Plant and a corporate guarantee provided by the Company. This term loan was classified as liability held for sale in Note 13.

**16. LOANS AND BORROWINGS** (continued)

**(d) Bankers' acceptances**

The bankers' acceptances of the Group and of the Company are secured by:

- (i) first and second legal charge over the land as disclosed in Note 5;
- (ii) a debenture covering fixed and floating charge over present and future assets of the subsidiary; and
- (i) deposits with a licensed bank as disclosed in Note 12.

The bankers' acceptances bear interest at rates ranging from 5.00% to 6.64% (2023: 2.89% to 5.15%) per annum.

**(e) Revolving credits**

The revolving credits of the Group and of the Company are secured by:

- (i) Legal charge over the leasehold land as disclosed in Note 5;
- (ii) Corporate guarantee from the Company;
- (iii) Debenture creating fixed and floating charge over all the assets, undertakings and properties of a subsidiary;
- (iv) Negative pledge; and
- (v) Security Sharing Agreement.

The revolving credit bear interest at rates ranging from of 5.00% to 6.70% (2023: 4.20% to 5.53% per annum.

**(f) Bank overdrafts**

The bank overdrafts were secured by way of:

- i Corporate guarantee from the Company; and
- ii Negative pledge.

In the previous financial year, the bank overdrafts bore interest at rates ranging from 5.00% to 9.15% per annum.



16. LOANS AND BORROWINGS (continued)

(g) Hire purchase payables

Future minimum payments under leases together with the present value of net minimum lease payments are as follows:

	Group 2024 RM'000	2023 RM'000
<b>Minimum lease payments:</b>		
Not later than one year	-	153
Later than one year and not later than 5 years	-	174
	-	327
Less: future finance charges	-	(17)
Present value of minimum lease payments	-	310
<b>Present value of minimum lease payments:</b>		
Not later than one year	-	141
Later than one year and not later than 5 years	-	169
	-	310
Less: Amount due within 12 months	-	(141)
Amount due after 12 months	-	169

In the previous financial year, hire purchase payables of the Group bore interest at rates ranging from 2.38% to 3.25% per annum were secured by the Group's motor vehicles and plant and equipment under hire purchase arrangements as disclosed in Note 5(a).

(h) Foreign currency trade loan

The foreign currency trade loan of the Group was secured by:

- (i) Corporate guarantee from the Company; and
- (ii) Negative pledge.

In the previous financial year, the foreign currency trade loan bore interest at rates ranging from 4.59% to 5.73% per annum.

(i) The foreign currency exposure profile of the loans and borrowings of the Group is as follows:

	Group 2024 RM'000	2023 RM'000
United States Dollar	-	7,980

17. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current</b>					
<b>Trade payables</b>					
- Retention sum	(a)	6,246	6,535	6,246	6,535
<b>Current</b>					
<b>Trade payables</b>					
- Third parties		12,969	31,530	1,136	1,001
- Retention sum		-	7,520	-	7,520
- Related parties		-	308	-	-
	(a)	12,969	39,358	1,136	8,521
<b>Other payables</b>					
Accruals		29,509	33,458	12,918	14,557
Amounts owing to subsidiaries	(b)	-	-	91,845	340,747
Amount owing to a director	(c)	3	3	3	3
Amount owing to a related party	(c)	1	1	1	1
Other payables		284,162	23,295	273,255	1,286
		<u>313,675</u>	<u>56,757</u>	<u>378,022</u>	<u>356,594</u>
Total trade and other payables (current)		<u>326,644</u>	<u>96,115</u>	<u>379,158</u>	<u>365,115</u>
<b>Total trade and other payables (non-current and current)</b>		<u><u>332,890</u></u>	<u><u>102,650</u></u>	<u><u>385,404</u></u>	<u><u>371,650</u></u>

- (a) Trade payables of the Group and the Company are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranging from 14 to 120 days (2023: 14 to 120 days). The retention sum is payable upon the expiry of the defect liability period.
- (b) Amounts owing to subsidiaries are non-trade in nature, unsecured, bear interest at rate of 5.00% (2023: 5.00%) per annum and repayable on demand.
- (c) Amounts owing to a director and a related party are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

**17. TRADE AND OTHER PAYABLES (continued)**

- (d) The foreign currency exposure profile of the trade and other payables of the Company are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Trade payables</u>		
Euro	-	412
Chinese Yuan	-	230
United States Dollar	-	7,186
<u>Other payables</u>		
Pound Sterling	-	64
United States Dollar	-	41
	<u>                    </u>	<u>                    </u>

- (e) For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 28(b).

**18. REVENUE**

	<b>Group</b>		<b>Company</b>	
	<b>1.6.2023</b>	<b>1.6.2022</b>	<b>1.6.2023</b>	<b>1.6.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.11.2024</b>	<b>31.5.2023</b>	<b>30.11.2024</b>	<b>31.5.2023</b>
	<b>(18 months)</b>	<b>(12 months)</b>	<b>(18 months)</b>	<b>(12 months)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue from contracts with customers:</b>				
<b>At point in time:</b>				
Sales of cable and wire	298,582	462,385	-	-
Sales of galvanised products and steel structures	20,019	17,932	-	-
	<u>318,601</u>	<u>480,317</u>	<u>-</u>	<u>-</u>
<b>Over time:</b>				
Transmission lines construction contracts	40,207	66,976	19,727	33,498
	<u>358,808</u>	<u>547,293</u>	<u>19,727</u>	<u>33,498</u>
<b>Revenue from other sources:</b>				
Management fee from subsidiaries	-	-	2,907	3,238
Interest income from lease receivables	-	602	-	-
	<u>-</u>	<u>602</u>	<u>2,907</u>	<u>3,238</u>
	<u>358,808</u>	<u>547,895</u>	<u>22,634</u>	<u>36,736</u>

**19. OTHER INCOME**

	Note	Group		Company	
		1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
Forfeiture of deposits		-	150	-	-
Insurance claims		-	68	-	-
Interest income on:					
- subsidiaries		-	-	9,962	14,597
- others		2,029	23	1,029	-
- deposits placed with licensed banks		237	164	-	23
Net gain on disposal of assets classified as held for sale		-	3,618	-	-
Net gain on disposal of property, plant and equipment		304	-	-	-
Realised gain on foreign exchange		-	106	-	-
Rental income		1,657	401	-	-
Reversal of provision for inventories obsolescence	10	23	194	-	-
Unrealised gain on foreign exchange		115	-	-	-
Wage subsidies		19	62	-	-
Waiver of debts		10	2,190	10	-
Others		8,189	892	6,985	-
		<u>12,583</u>	<u>7,868</u>	<u>17,986</u>	<u>14,620</u>

## 20. FINANCE COSTS

	Group		Company	
	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
Interest expense on:				
- Amortisation of transaction cost	-	504	-	-
- Bankers' acceptances	14,269	12,063	-	-
- Flexi loan, export financing, invoice financing	-	59	-	-
- Foreign currency trade loan	828	422	-	-
- Hire purchase payables	12	47	-	-
- Loans from subsidiaries	-	-	16,793	12,987
- Lease liabilities	30	45	-	-
- Revolving credits	923	814	-	-
- Term loans and bank overdrafts	12,656	6,499	10,917	5,261
- Others	15,311	-	126	-
	<u>44,029</u>	<u>20,453</u>	<u>27,836</u>	<u>18,248</u>

## 21. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at loss before tax:

		Group		Company	
		1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
	Note				
Auditors' remuneration:					
- statutory audit		467	385	182	83
- non-statutory audit		15	15	15	15
Deposits forfeited		-	170	-	-
Bad debts written off		-	185	-	1
Depreciation of property, plant and equipment	5	13,329	13,251	25	43
Directors' remuneration	(a)	2,269	1,711	2,124	1,604
Employee benefits expenses	(b)	45,165	52,915	1,470	2,787

**21. LOSS BEFORE TAX** (continued)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at loss before tax: (continued)

	Note	Group		Company	
		1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
Expenses relating to:					
- short-term leases		823	675	78	-
- low value assets		6	11	-	-
Finance lease receivable written off		-	141	-	-
Impairment losses on:					
- assets held for sale	13	-	2,961		847
- contract assets		3,407	-	3,407	-
- trade receivables	6	3,918	4,644	-	-
- other receivables	6	3,991	286	1,000	30,206
- investment in subsidiaries	7	-	-	-	27,639
Inventories written down	10	193	598	-	-
Inventories written off	10	180	111	-	-
Loss on derecognition of subsidiaries	7	135,476	-	205,806	-
Loss on disposals of subsidiaries	7	12,123	-	91,771	-
Loss on disposal of assets classified as held for sale	13	1,316	-	19,023	-
Loss on disposal of property, plant and equipment		-	-	6	-
Property, plant and equipment written off	5	-	82	-	44
Reversal of impairment losses on trade receivables	6	(4,013)	(2,140)	(79,481)	-
Realised loss on foreign exchange		1,751	987	-	-
Unrealised loss on foreign exchange		-	321	-	-

**21. LOSS BEFORE TAX** (continued)

- (a) The aggregate amount of emoluments received and receivable by the directors of the Group and the Company during the financial period/year are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.6.2023</b>	<b>1.6.2022</b>	<b>1.6.2023</b>	<b>1.6.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.11.2024</b>	<b>31.5.2023</b>	<b>30.11.2024</b>	<b>31.5.2023</b>
	<b>(18 months)</b>	<b>(12 months)</b>	<b>(18 months)</b>	<b>(12 months)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Directors of the Company</b>				
<b>Executive Directors:</b>				
Salaries and other emoluments	628	462	616	462
Contributions to defined contribution plan	-	65	-	65
<b>Total executive directors' remuneration</b>	<b>628</b>	<b>527</b>	<b>616</b>	<b>527</b>
<b>Non-executive Directors:</b>				
Fees	1,545	1,115	1,412	1,008
Other emoluments	96	69	96	69
Total non-executive directors' remuneration	1,641	1,184	1,508	1,077
<b>Total directors' remuneration including benefits-in-kind</b>	<b>2,269</b>	<b>1,711</b>	<b>2,124</b>	<b>1,604</b>

- (b) Employee benefits expenses are:

	<b>Group</b>		<b>Company</b>	
	<b>1.6.2023</b>	<b>1.6.2022</b>	<b>1.6.2023</b>	<b>1.6.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.11.2024</b>	<b>31.5.2023</b>	<b>30.11.2024</b>	<b>31.5.2023</b>
	<b>(18 months)</b>	<b>(12 months)</b>	<b>(18 months)</b>	<b>(12 months)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Salaries, wages and bonuses	38,221	44,731	1,054	2,340
Contributions to defined contribution plan	5,451	5,975	298	327
Social security contribution	489	589	11	13
Other benefits	1,004	1,620	107	107
	<b>45,165</b>	<b>52,915</b>	<b>1,470</b>	<b>2,787</b>

## 22. TAX (CREDIT)/EXPENSE

The major components of tax (credit)/expense for the financial periods ended 30 November 2024 and financial year ended 31 May 2023 are as follows:

	Group		Company	
	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
<b>Statements of comprehensive income:</b>				
<b>Current income tax:</b>				
- Current income tax charge	994	369	-	-
- Adjustment in respect of prior years	(107)	147	-	-
	887	516	-	-
<b>Deferred tax (Note 9):</b>				
- Reversal of temporary differences	(2,027)	(1,505)	-	-
- Adjustment in respect of prior years	(381)	45,306	-	-
	(2,408)	43,801	-	-
<b>Tax (credit)/expense</b>	<b>(1,521)</b>	<b>44,317</b>	<b>-</b>	<b>-</b>



## 22. TAX (CREDIT)/EXPENSE (continued)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable loss for the financial period/year.

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's tax (credit)/expense are as follows:

	Group		Company	
	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000	1.6.2023 to 30.11.2024 (18 months) RM'000	1.6.2022 to 31.5.2023 (12 months) RM'000
Loss before tax				
- from continuing operations	(345,254)	(57,900)	(254,660)	(61,284)
- from discontinued operation	-	5,725	-	-
	<u>(345,254)</u>	<u>(52,175)</u>	<u>(254,660)</u>	<u>(61,284)</u>
Tax at Malaysian statutory tax rate 24% (2023: 24%)	(82,861)	(12,522)	(61,118)	(14,708)
Tax effects arising from:				
- non-deductible expenses	116,096	2,209	61,118	14,486
- non-taxable income	(248)	(1,438)	-	-
Utilisation of previously unrecognised deferred tax on temporary differences	(34,020)	(338)	-	-
Adjustment in respect of prior years:				
- current income tax	(107)	147	-	-
- deferred tax	(381)	45,306	-	-
Deferred tax not recognised on unutilised tax losses and temporary differences	-	10,953	-	222
Tax expense	<u>(1,521)</u>	<u>44,317</u>	<u>-</u>	<u>-</u>

## 23. LOSS PER SHARE

### Basic and Diluted Loss Per Share

Basic loss per share amounts are calculated by dividing loss for the year/period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

Diluted loss per share amounts are calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The Company does not have any dilutive instruments as at reporting date and therefore, diluted earnings per share is presented as equal to basic earnings per share.

	<b>Group</b>	
	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>
Loss net of tax attributable to owners of the Company:		
- continuing operations	(343,733)	(102,217)
- discontinued operation	-	3,997
	<u>(343,733)</u>	<u>(98,220)</u>
Weighted average number of ordinary shares in issue ('000)	<u>398,985</u>	<u>398,985</u>
Basic and diluted loss per share (sen per ordinary share)		
- continuing operations	(86.15)	(25.62)
- discontinued operation	-	1.00
	<u>(86.15)</u>	<u>(24.62)</u>

## 24. CAPITAL COMMITMENTS

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for:		
- Property, plant and equipment	-	33
Approved but not contracted for:		
- Property, plant and equipment	-	4,428
	<u>-</u>	<u>4,461</u>

## **25. RELATED PARTY TRANSACTIONS**

**(a) Identification of related parties**

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with its ultimate holding company, their subsidiaries, related parties, directors of the Company and key management personnel. Related parties of the Group are as follows:

<b>Related parties</b>	<b>Relationship</b>
Alpha Industries Sdn. Bhd.	A company in which a shareholder of the Company is a director
HNG Capital Sdn. Bhd. Group	A corporate shareholder of the Company
Sarawak Energy Berhad	A corporate shareholder of the Company
Leader Solar Sdn. Bhd.	A company in which a director of the Company is a director
Syarikat SESCO Berhad	A company in which a director of the Company is a director
Sliver Lining Systems Sdn. Bhd.	A company in which a director of the Company is a director and shareholder

**25. RELATED PARTY TRANSACTIONS** (continued)

(b) Transactions with related parties are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.6.2023</b>	<b>1.6.2022</b>	<b>1.6.2023</b>	<b>1.6.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.11.2024</b>	<b>31.5.2023</b>	<b>30.11.2024</b>	<b>31.5.2023</b>
	<b>(18 months)</b>	<b>(12 months)</b>	<b>(18 months)</b>	<b>(12 months)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Fellow subsidiaries</b>				
- Management fee received/receivable	-	-	(2,907)	(3,238)
- Interest received/receivable	-	-	(9,962)	(14,597)
- Interest paid/payable	-	-	-	12,987
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,987</u>
<b>Related parties:</b>				
- Sales of cable and wire, steel structure received/receivables	-	(3,100)	-	-
- Rental and interest paid/payable	-	345	-	-
- Purchase of raw material paid/payable	-	99,096	-	-
	<u>-</u>	<u>99,096</u>	<u>-</u>	<u>-</u>

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 6 and 17.

(c) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

**25. RELATED PARTY TRANSACTIONS** (continued)

(c) Compensation of key management personnel (continued)

The remuneration of the key management personnel is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>
<b>Directors of the Company</b>				
<b>Executive Directors:</b>				
Salaries and other emoluments	628	462	616	462
Contributions to defined contribution plan	-	65	-	65
Total executive directors' remuneration	628	527	616	527
<b>Non-executive Directors:</b>				
Fees	1,545	1,115	1,412	1,008
Other emoluments	96	69	96	69
Total non-executive directors' remuneration	1,641	1,184	1,508	1,077
Total directors' remuneration including benefits-in-kind	2,269	1,711	2,124	1,604
<b>Directors of subsidiaries</b>				
<b>Executive Directors:</b>				
Salaries and other emoluments	-	677	-	-
Contributions to defined contribution plan	-	97	-	-
Total executive directors' remuneration	-	774	-	-

**25. RELATED PARTY TRANSACTIONS** (continued)

(c) Compensation of key management personnel (continued)

The remuneration of the key management personnel is as follows: (continued)

	<b>Group</b>		<b>Company</b>	
	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>
<b>Non-executive Directors:</b>				
Fees	91	92	-	-
Total non-executive directors' remuneration	91	92	-	-
Total directors' remunerations	91	866	-	-
Total directors' remunerations	2,360	2,577	2,124	1,604
<b>Other key management personnel</b>				
Short-term employee benefits	1,580	2,994	1,102	1,472
Post employment benefits	284	420	151	205
	1,864	3,414	1,253	1,677
	4,224	5,991	3,377	3,281

## **26. SEGMENT INFORMATION**

The Group has four reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segment:

- (a) The sale of cable and wire segment supplies cable and wire components to consumers.
- (b) The sale of galvanised steel products and steel structures segment supplies galvanised steel products and steel structures. It also offers galvanising services.
- (c) The transmission lines construction segment involves supply, installation and commissioning of transmission line projects.
- (d) The corporate segment is involved in Group-level corporate and management services, power generation business and provision of helicopters services.

Except as indicated above, no other operating segments have been aggregated to form the above reportable operating segments.

Segmental operating results are reviewed on a regular basis by the Group's key management personnel in order to make decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before tax.

26. SEGMENT INFORMATION (continued)

	Sales of cable and wire RM'000	Sales of galvanised products and steel structures RM'000	Transmission lines construction RM'000	Helicopter services and corporate RM'000	Others RM'000	Adjustments and elimination RM'000	Notes	Total RM'000
<b>Group</b>								
<b>2024</b>								
<b>Revenue:</b>								
External customers	298,582	20,019	40,207	-	-	-		358,808
Inter-segment sales	5,372	-	-	2,907	-	(8,279)	A	-
Total revenue	<u>303,954</u>	<u>20,019</u>	<u>40,207</u>	<u>2,907</u>	<u>-</u>	<u>(8,279)</u>		<u>358,808</u>
<b>Results:</b>								
Interest income	15,117	8	-	10,993	-	(23,852)	B	2,266
Interest expense	28,702	1,139	29,116	9,000	-	(23,928)	B	44,029
Depreciation and amortisation	11,067	2,237	-	25	-	-		13,329
Other non-cash items	2,878	(162)	241,522	-	-	(88,093)	C	156,145
Segment loss before tax	<u>(42,667)</u>	<u>(6,842)</u>	<u>(1,201)</u>	<u>(263,569)</u>	<u>-</u>	<u>(30,975)</u>	D	<u>(345,254)</u>
<b>Segment assets</b>	<u>102,208</u>	<u>30,833</u>	<u>8,410</u>	<u>30,782</u>	<u>676</u>	<u>(105,351)</u>	E	<u>67,558</u>
<b>Segment liabilities</b>	<u>45,131</u>	<u>15,713</u>	<u>27,144</u>	<u>500,939</u>	<u>523</u>	<u>(124,374)</u>	F	<u>465,076</u>



26. SEGMENT INFORMATION (continued)

<div>←----- Continuing Operations -----&gt;</div>										
	Sales of cable and wire RM'000	Sales of galvanised products and steel structures RM'000	Transmission lines construction RM'000	Helicopter services and corporate RM'000	Others RM'000	Adjustments and elimination RM'000	Notes	Total RM'000	Discontinued operation RM'000	Total operations RM'000
<b>Group</b>										
<b>2023</b>										
<b>Revenue:</b>										
External customers	462,385	17,932	66,976	602	-	-		547,895	8,759	556,654
Inter-segment sales	6,368	-	-	3,238	-	(9,606)	A	-	-	-
Total revenue	468,753	17,932	66,976	3,840	-	(9,606)		547,895	8,759	556,654
<b>Results:</b>										
Interest income	13,310	5	59	8,590	-	(21,777)	B	187	15	202
Interest expense	14,052	484	23,054	7,217	-	(24,354)	B	20,453	1,032	21,485
Depreciation and amortisation	11,877	1,317	49	8	-	-		13,251	5	13,256
Other non-cash items	2,503	452	(1,003)	(3,706)	-	-	C	(1,754)	2,767	1,013
Segment profit/(loss) before tax	(226,335)	(4,662)	(60,607)	(7,050)	-	240,754	D	(57,900)	5,725	(52,175)
<b>Segment assets</b>	730,115	40,222	35,193	172,749	676	(516,627)	E	462,328	59,870	522,198
<b>Segment liabilities</b>	381,825	15,574	126,356	520,823	523	(486,966)	F	558,135	27,964	586,099

**26. SEGMENT INFORMATION** (continued)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

- A Inter-segment revenues are eliminated on consolidation.
- B Inter-segment interest income and interest expense are eliminated on consolidation.
- C Other material non-cash items consist of the following items:

	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>
Bad debts written off	-	185
Finance lease receivable written off	-	141
Forfeiture of deposits, net	-	20
Impairment loss on contract assets	3,407	-
Impairment loss on trade receivables	3,918	4,644
Impairment loss on other receivables	3,991	286
Inventories written down	193	598
Inventories written off	180	111
Loss on disposal of subsidiaries	12,123	-
Loss on derecognition of subsidiaries	135,476	-
Net gain on disposal of property, plant and equipment	(298)	-
Net loss/(gain) on disposal of assets classified as held for sale	1,316	(3,618)
Property, plant and equipment written off	-	82
Reversal of impairment losses on trade receivables	(4,013)	(2,140)
Reversal of provision for inventories obsolescence	(23)	(194)
Waiver of debts	(10)	(2,190)
Unrealised (gain)/loss on foreign exchange	(115)	321
	<u>156,145</u>	<u>(1,754)</u>

**26. SEGMENT INFORMATION** (continued)

D Reconciliation of loss before tax:

	<b>1.6.2023 to 30.11.2024 (18 months) RM'000</b>	<b>1.6.2022 to 31.5.2023 (12 months) RM'000</b>
Segment loss	(314,279)	(298,654)
Others	<u>(30,975)</u>	<u>240,754</u>
	<u><u>(345,254)</u></u>	<u><u>(57,900)</u></u>

E Reconciliation of segment operating assets to arrive at total assets reported in the Group's statements of financial position:

	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Segment operating assets	172,909	978,955
Amount due from fellow subsidiaries	<u>(105,351)</u>	<u>(516,627)</u>
	<u><u>67,558</u></u>	<u><u>462,328</u></u>

F Reconciliation of segment operating liabilities to arrive at total liabilities reported in the Group's statements of financial position:

	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Segment operating liabilities	589,450	1,045,101
Amount due to fellow subsidiaries	<u>(124,374)</u>	<u>(486,966)</u>
	<u><u>465,076</u></u>	<u><u>558,135</u></u>

## 27. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM'000	Amortised cost RM'000
<b>2024</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade and other receivables, net of GST refundable and prepayments	24,894	24,894
Cash and bank balances	1,242	1,242
	<u>26,136</u>	<u>26,136</u>
<b>Company</b>		
Trade and other receivables, net of prepayments	34,230	34,230
Cash and bank balances	9	9
	<u>34,239</u>	<u>34,239</u>
<b>Financial liabilities</b>		
<b>Group</b>		
Loans and borrowings	127,144	127,144
Trade and other payables	332,890	332,890
	<u>460,034</u>	<u>460,034</u>
<b>Company</b>		
Loans and borrowings	110,057	110,057
Trade and other payables	385,404	385,404
	<u>495,461</u>	<u>495,461</u>

**27. FINANCIAL INSTRUMENTS** (continued)

**(a) Categories of financial instruments** (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	<b>Carrying amount RM'000</b>	<b>Amortised cost RM'000</b>
<b>2023</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade and other receivables, net of GST refundable and prepayments	116,282	116,282
Cash and bank balances	37,459	37,459
	<u>153,741</u>	<u>153,741</u>
<b>Company</b>		
Trade and other receivables, net of prepayments	38,854	38,854
Cash and bank balances	2,085	2,085
	<u>40,939</u>	<u>40,939</u>
<b>Financial liabilities</b>		
<b>Group</b>		
Loans and borrowings*	399,496	399,496
Trade and other payables	102,650	102,650
	<u>502,146</u>	<u>502,146</u>
<b>Company</b>		
Loans and borrowings*	116,753	116,753
Trade and other payables	371,650	371,650
	<u>488,403</u>	<u>488,403</u>

\*Net of lease liabilities

## 27. FINANCIAL INSTRUMENTS (continued)

### (b) Fair value of financial instruments

The carrying amounts of cash and bank balances, short-term receivables and payables are reasonable approximation to their fair value due to relatively short-term nature of these financial instruments.

The carrying amount of long-term and short-term floating rate borrowings approximates their fair value as the borrowings will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial period (2023: no transfers between Level 1 and Level 2).

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Group</b>					
<b>2023</b>					
<b>Financial liability</b>					
Hire purchase payables	310	-	-	303	303

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group and of the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments, including credit risk, liquidity risk, interest rate risk, foreign currency risk and commodity price risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to the credit risk arises primarily from trade and other receivables. For cash and bank balances and deposits with licensed bank, the Group and the Company minimise credit risk by dealing exclusively with high credit rating financial institutions.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. In addition, receivables balances are monitored on an on-going basis with the result that the Group's and the Company's exposure to bad debt is not significant.

**28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(a) Credit risk (continued)**

**Trade receivables and contract assets**

At the reporting date, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables and contract assets, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

At the end of the reporting period, approximately Nil (2023: 50%) and Nil (2023: 99%) of the Group's and of the Company's trade receivables was due from Nil (2023: three) and Nil (2023: one) major customer(s) respectively, which are all located in Malaysia.

The Group and the Company applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

**28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)

**(a) Credit risk** (continued)

**Trade receivables and contract assets** (continued)

The information about the credit risk exposure on the Group's and the Company's trade receivables and contract assets using the provision matrix are as follows:

	<b>Expected credit loss rate %</b>	<b>Gross carrying amount RM'000</b>	<b>Impairment credit losses RM'000</b>
<b>2024</b>			
<b>Group</b>			
<b>Contract assets</b>	0%	-	-
<b>Trade receivables</b>			
Current	0%	6,980	-
1 to 30 days past due	0%	-	-
31 to 60 days past due	0%	-	-
61 to 90 days past due	0%	-	-
91 to 120 days past due	0%	-	-
More than 121 days past due	98%	1,417	1,382
		8,397	1,382
Impaired - individually		963	963
		9,360	2,345
		9,360	2,345
<b>Company</b>			
<b>Trade receivables</b>			
Current	0%	6,747	-
		6,747	-



**28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)

**(a) Credit risk** (continued)

**Trade receivables and contract assets** (continued)

The information about the credit risk exposure on the Group's and the Company's trade receivables and contract assets using the provision matrix are as follows: (continued)

	<b>Expected credit loss rate %</b>	<b>Gross carrying amount RM'000</b>	<b>Impairment credit losses RM'000</b>
<b>2023</b>			
<b>Group</b>			
<b>Contract assets</b>	0%	7,643	-
<b>Trade receivables</b>			
Current	0%	55,548	232
1 to 30 days past due	2%	11,914	237
31 to 60 days past due	7%	9,932	655
61 to 90 days past due	9%	1,529	144
91 to 120 days past due	15%	3,230	472
More than 121 days past due	42%	4,438	1,876
		86,591	3,616
Impaired - individually		12,874	5,226
		99,465	8,842
		107,108	8,842
<b>Company</b>			
<b>Trade receivables</b>			
Current	0%	12,815	-
		12,815	-

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (a) Credit risk (continued)

#### Other receivables and other financial assets (continued)

For other receivables and other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due from the credit term in making a contractual payment.

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

#### Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the existing and former subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks is representing by a nominal amount of RM321.1 million (2023: RM388.8 million) relating to corporate guarantee provided by the Company to the banks on the subsidiaries' bank loan. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. In addition, there are events and conditions that indicate material uncertainties exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns as disclosed in Note 2.6 to the financial statements.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		<-----Contractual undiscounted cash flows ----->			
	Carrying amount RM'000	On demand or within 1 year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
<b>2024</b>					
<b>Group</b>					
<b>Financial liabilities</b>					
Trade and other payables	332,890	326,644	6,246	-	332,890
Loans and borrowings	127,144	116,040	11,116	-	127,156
	<u>460,034</u>	<u>442,684</u>	<u>17,362</u>	<u>-</u>	<u>460,046</u>
<b>Company</b>					
<b>Financial liabilities</b>					
Trade and other payables	385,404	379,158	6,246	-	385,404
Loans and borrowings	110,057	98,941	11,116	-	110,057
Financial guarantee contracts	-	321,101	-	-	321,101
	<u>495,461</u>	<u>799,200</u>	<u>17,362</u>	<u>-</u>	<u>816,562</u>

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: (continued)

		<-----Contractual undiscounted cash flows ----->			
	Carrying amount RM'000	On demand or within 1 year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
<b>2023</b>					
<b>Group</b>					
<b>Financial liabilities</b>					
Trade and other payables	102,650	96,115	6,535	-	102,650
Loans and borrowings	400,516	388,686	11,891	-	400,577
	<u>503,166</u>	<u>484,801</u>	<u>18,426</u>	<u>-</u>	<u>503,227</u>
<b>Company</b>					
<b>Financial liabilities</b>					
Trade and other payables	371,650	365,115	6,535	-	371,650
Loans and borrowings	116,753	105,637	11,116	-	116,753
Financial guarantee contracts	-	388,779	-	-	388,779
	<u>488,403</u>	<u>859,531</u>	<u>17,651</u>	<u>-</u>	<u>877,182</u>

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales, cash and bank balances, purchases and borrowings that are denominated in a currency other than the respective functional currency of Group entities, primarily Ringgit Malaysia (RM). The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Euro ("EUR") and Singapore Dollar ("SGD").

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss net of tax to a reasonably possible change in the USD, EUR and SGD exchange rates against the respective functional currency of the Group's entities, with all other variables held constant:

		<b>Group</b>	
		<b>Effect on loss for the financial period/year, net of tax</b>	
		<b>2024</b>	<b>2023</b>
		<b>RM'000</b>	<b>RM'000</b>
USD/RM	- strengthened 5% (2023: 5%)	-	(485)
	- weekend 5% (2023: 5%)	-	485
		<hr/>	<hr/>
EUR/RM	- strengthened 5% (2023: 5%)	-	(16)
	- weekend 5% (2023: 5%)	-	16
		<hr/>	<hr/>
SGD/RM	- strengthened 5% (2023: 5%)	-	16
	- weekend 5% (2023: 5%)	-	(16)
		<hr/>	<hr/>

### (d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

#### Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points (2023: 50 basis points) lower/higher, with all other variables held constant, the Group's and the Company's loss net of tax would have been RM0.5 million and RM0.4 million (2023: RM1.5 million and RM0.4 million) lower/higher respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. in the fair value of derivatives on which cash flow hedge accounting is applied.

## **29. MATERIAL LITIGATION**

- (a) On 6 December 2023, Ambank has filed a Writ of Summons and Statement of Claims against the Company and Universal Cable (Sarawak) Sdn. Bhd. ("UCS") claiming for the banking facilities given to UCS for the sum of RM439,365.91. Since the Company is the corporate guarantor for the said facilities, therefore Ambank is also claiming the said sum against the Company and have managed to obtained a Judgment in Default of Appearance against the Company and UCS on 5 January 2024.
- (b) On 8 December 2023, Ambank and AmlIslamic has filed a Writ of Summons and Statement of Claims against the Company claiming for the banking facilities given to the wholly-owned subsidiary, Leader Cable Industry Berhad ("LCIB") for the sum of USD1,878,614.35. Since the Company is the corporate guarantor for the said facilities, therefore Ambank is claiming the said sum against the Company and have managed to obtained a Judgment in Default of Appearance against the Company on 16 January 2024.
- (c) On 8 April 2024, the Company and its wholly-owned subsidiary, UCS served Writs of Summons and Statement of Claims by Hong Leong Islamic Bank Berhad ("HLIBB") and Hong Leong Bank Berhad ("HLBB") ("the Suits") in the High Court of Sabah & Sarawak at Kuching ("the Court").

The summary details of the above-mentioned Suits are as follows:-

- (i) HLIBB is claiming against the Company for a sum of RM78,298,325.68 (as at 14 February 2024) under the Hong Leong Term Financing -i;
- (ii) HLBB is claiming against the Company for a sum of RM14,727,494.93 (as at 14 February 2024) under the Banker's Acceptance Facility; and
- (iii) HLBB is claiming against Universal Cable (Sarawak) Sdn. Bhd. for a sum of RM2,500,745.23 (as at 14 February 2024) under the Banker's Acceptance Facility whereas the Company is the corporate guarantor of this facility.

On 13 March 2025, the High Court has allowed HLBB's Summary Judgement Application against the Company and UCS with costs of RM5,000 to be paid by the Company and UCS to the HLBB. The Company and UCS plan to file an appeal against the judgement.

- (d) On 29 May 2024, the Company was served with a writ, a Statement of Claim and a Notice of Application for Injunctive Reliefs by Serendib Capital Limited. Serendib Capital Limited seeks, among others, declaratory reliefs, specific performance, a permanent injunction and damages against the Company over the termination of the Memorandum of Agreement ("MOA") dated 29.12.2023 between the Company and Serendib Capital Limited.

Case Management fixed on 13 May 2025 to update the Court on the outcome of the judicial management application against the Company.

- (e) On 9 July 2024, the High Court of Malaya at Kuala Lumpur under Originating Summon No. WA-28JM-21-07/2024 had appointed Lim Sin Han of Messrs Sin Han & Co. PLT as the Interim Judicial Manager ("IJM") of the Company. The next hearing of the Originating Summon No. WA-28JM-21-07/2024 is on 9 May 2025.

**29. MATERIAL LITIGATION (continued)**

- (f) On 28 October 2024, the Liquidators of LCIB filed a Writ of Summons and Statement of Claim against Sarwaja Timur Sdn. Bhd., (“STSB”) a wholly-owned subsidiary of the Company for inter-company advances of a sum of RM5,380,269.68.

On 18 November 2024, LCIB filed a summary judgment application against STSB. On 4 December 2024, STSB filed a Notice of Application to Strike Out the Proceeding. The suit has been fixed for hearing on 18 June 2025.

However, LCIB’s solicitors, Messrs Justin Wee has refused to provide the English version of the affidavit(s) to STSB despite knowing that there are foreign directors in STSB, hence on 10th January 2025, STSB has filed a Notice of Application for Extension of Time to file Affidavit in Reply pending receipt of the English version of the affidavit(s) and a stay of proceeding pending disposal of this application (“Enclosure 14”).

As of now, all Enclosures 5, 7, and 14 of Suit 751 have been fixed for hearing on 18th June 2025.

- (g) On 30 October 2024, the Liquidators of LCIB has filed a Writ of Summons and Statement of Claim against UCS a wholly-owned subsidiary of the Company for inter-company amount owing of a sum of RM11,986,666.24.

On 28 November 2024, LCIB obtained a Judgement in Default of Appearance (“JID”) against UCS. On 6 January 2025, UCS filed a Notice of Application to set aside the JID. The decision for Enclosure 14 in Suit 758 has been fixed on 14th April 2025.

- (h) On 13 December 2024, Trenergy Infrastructure Sdn. Bhd. (“TISB”) has filed an Originating Summons for Fortuna Injunction (“Enclosure 1”) and an Ex-Parte Notice of Application for Interim Fortuna Injunction (“Enclosure 2”) against Sarwaja Timur Sdn. Bhd. (“STSB”).

On 26 February 2025, during the Hearing, the Honourable Court ruled in favour of TISB for Enclosures 1 and 2 and awarded costs of RM15,000.00 in TISB’s favour.

- (i) On 10 January 2025, Universal Cable (Sarawak) Sdn. Bhd. (“UCS”), a wholly-owned subsidiary of Sarawak Cable Berhad, filed an Originating Summons for Fortuna Injunction (“Enclosure 1”) and an Ex-Parte Notice of Application for Interim Fortuna Injunction (“Enclosure 3”) against Leader Cable Industry Berhad (In Liquidation) (“LCIB”). On 14th January 2025, the Honourable Court allowed Enclosure 3.

As of now, Enclosures 1 and 3 of OS 18 have been fixed for hearing on 21 April 2025.

- (j) On January 2025, the Company has filed a suit against Bilun Borneo Sdn. Bhd. and 14 others to defraud the Company in respect to the Share Subscription Agreement and Variation Agreement between the Company and Bilun Borneo Sdn. Bhd. for the sale of the shares in Trenergy Infrastructure Sdn. Bhd.

### 30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide the funds to fund their expansion and growth.

The Group and the Company manage their capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

The Group and the Company monitor the level of dividends to be paid to shareholders. The Company's objectives are to pay out regular dividends to the shareholders based on the level of the Group's and the Company's profitability and cash flows. No changes were made in the objectives, policies and processes during the financial period ended 30 November 2024 and financial year ended 31 May 2023.

The capital structure of the Group and of the Company consists of equity attributable to owners of the Company, comprising share capital, retained earnings and total debts.

The debt-to-equity ratio of the Group and the Company as at the end of the reporting period is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans and borrowings	127,144	400,516	110,057	116,753
Trade and other payables	332,890	102,650	385,404	371,650
Less: Cash and bank balances	<u>(1,242)</u>	<u>(37,459)</u>	<u>(9)</u>	<u>(2,085)</u>
Net debt	<u>458,792</u>	<u>465,707</u>	<u>495,452</u>	<u>486,318</u>
Capital deficiency	<u>(397,518)</u>	<u>(63,901)</u>	<u>(359,193)</u>	<u>(104,533)</u>
	<u>61,274</u>	<u>401,806</u>	<u>136,259</u>	<u>381,785</u>
Gearing ratio	<u>748.8%</u>	<u>115.9%</u>	<u>363.6%</u>	<u>127.4%</u>

### 31. COMPARATIVE FIGURES

During the financial period, the Group and the Company changed their financial year end from 31 May to 30 November and made up their financial statements for the 18 months period from 1 June 2023 to 30 November 2024. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.



**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

Pursuant to Section 251(2) of the Companies Act 2016

We, **HAMZAH BIN MAHMOOD** and **MAZHAR UL LATIF**, being two of the directors of Sarawak Cable Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 8 to 94 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2024 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....  
**HAMZAH BIN MAHMOOD**  
Director

.....  
**MAZHAR UL LATIF**  
Director

Date: 28 March 2025

**SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**STATUTORY DECLARATION**

Pursuant to Section 251(1) of the Companies Act 2016

I, **MAZHAR UL LATIF**, being the director primarily responsible for the financial management of Sarawak Cable Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 8 to 94 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....  
**MAZHAR UL LATIF**

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 28 March 2025.

Before me,

RACHEL VANUJA SUPPIAH  
BC/R/476  
Commissioner for Oaths

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED)**  
(Incorporated in Malaysia)

**Report on the Audit of the Financial Statements**

**Disclaimer of Opinion**

We were engaged to audit the financial statements of Sarawak Cable Berhad, which comprise the statements of financial position as at 30 November 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including material accounting policy, as set out on pages 8 to 94.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

**Basis for Disclaimer of Opinion**

**1. *Going Concern***

As disclosed in Note 2.6 to the financial statements, during the financial period ended 30 November 2024, the Group and the Company incurred net loss of RM343.7 million and RM254.7 million respectively. As of that date, the Group's and the Company's current liabilities exceeded their current assets by RM414.5 million and RM450.5 million respectively and recorded a capital deficiency of RM397.5 million and RM359.2 million respectively.

On 30 September 2022, the Company announced that it had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of PN17 of the Main Market Listing Rules ("MMLR") of Bursa Securities. Hence, on even date, the Company is considered as a PN17 listed issuer.

The aforementioned events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Nevertheless, the directors continued to prepare the financial statements on a going concern basis.

The Company and six of its subsidiaries had obtained a Court Order on 29 September 2022 for an Originating Summons pursuant to Section 366 and Section 368 of the Act before the Kuching High Court. On 9 June 2023, the High Court granted the Group's application to extend the Restraining Order for a further three months to 9 September 2023.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED) (continued)**  
(Incorporated in Malaysia)

**Basis for Disclaimer of Opinion (continued)**

1. *Going Concern (continued)*

The Group has formulated a plan ("Proposed Regularisation Plan") to regularise its financial conditions in tandem with the Proposed Scheme of Arrangement. The proposed plan is as follows:

- (a) a proposed asset revaluation of the Company's and its subsidiaries assets to reflect its estimated economic value;
- (b) a proposed share capital reduction via the cancellation of the Company's paid-up share capital which is not represented by its available assets;
- (c) a proposed issuance of new shares to raise funds for capital and settlement of creditors outstanding debts due and owing; and
- (d) a proposed scheme of arrangement and compromise pursuant to Sections 366, 368 and 369 and other relevant provisions of the Act in respect of the amounts owing to the scheme creditors at the date on which the Court grants the order to conduct a Court Convened Meeting ("Proposed Scheme of Arrangement (SOA)") for the Company and the six subsidiaries. The Proposed SOA is undertaken by the Company and the six subsidiaries and the details of the SOA have not been finalised.

The Group obtained the High Court's order for leave to convene the Court Convened Meeting ("CCM") on 9 June 2023. The directors of the Company are of the opinion that the focus of the Proposed Regularisation Plan is the proposed capital reduction and proposed issuance of new shares with the intention to restore the Company's shareholders fund and relief the Company from PN17 classification. The Group intends to actively engage with the creditors and bankers to facilitate the successful implementation of the proposed SOA.

On 5 September 2023, an Explanatory Statement was furnished to all various classes of creditors to vote for the proposed SOA at a scheduled court convened meeting on 26 September 2023 and the Proposed SOA has been rejected.

On 9 October 2023, the Company's wholly-owned subsidiaries, Leader Cable Industry Berhad ("LCIB") and Universal Cable (M) Berhad ("UCM") had received winding up petition served by a financial institution ("Petitioner"). LCIB and UCM were indebted to the Petitioner a sum of RM46,158,000 and RM28,352,180 respectively as at 15 September 2022 with interest that continue to accrue to the Petitioner.

On 15 May 2024, the Honorable Court allowed the Petition and ordered the winding-up of LCIB and UCM and also appointed joint and several liquidators for LCIB and UCM.

On 9 July 2024, the High Court of Malaya at Kuala Lumpur under Originating Summon No. WA-28JM-21-07/2024 had appointed Lim Sin Han of Messrs Sin Han & Co. PLT as the Interim Judicial Manager ("IJM") of the Company. The next hearing of the Originating Summon No. WA-28JM-21-07/2024 is on 9 May 2025.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED) (continued)**  
(Incorporated in Malaysia)

**Basis for Disclaimer of Opinion (continued)**

**1. *Going Concern* (continued)**

The directors of the Company have not finalised the whole Proposed Regularisation Plan. The Proposed Regularisation Plan is subject to the Company's shareholders' and relevant regulatory approvals. The directors believe there will be favourable outcome from the Proposed Regularisation Plan. Nonetheless, the directors of the Company had passed a directors' circular resolution on 26 September 2024 to appoint Malacca Securities Sdn. Bhd. as the principal adviser, sole placement agent and sole underwriter of the Company's regularisation plan. The IJM had on 27 September 2024 signed the engagement letter for the appointment of Malacca Securities Sdn. Bhd.

The directors are of the opinion that the Group and the Company will be able to continue as going concerns for the foreseeable future. The ability of the Group and of the Company to continue as going concerns is dependent on:

- (a) the timely and successful implementation of the Group's Proposed Regularisation Plan;
- (b) the ability of the subsidiaries to generate sufficient cash flows to meet the obligations of the Group and of the Company; and
- (c) the continuing supports from their bankers and creditors.

If these events are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements of the Group and the Company may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

We have not been provided with the cash flow forecast incorporating the effects arising from the Proposed Regularisation Plan to assess the ability of the Group and of the Company to continue as going concerns.

Accordingly, we are unable to obtain sufficient appropriate audit evidence to support the validity of the assumption adopted by the directors in preparing the financial statements on a going concern basis.

**2. *Inventories and Purchases***

Inventories as at 30 November 2024 as disclosed in Note 10 to the financial statements amounted to RM7.5 million. We have not been able to obtain sufficient appropriate audit evidence to ascertain the accuracy of the cost of inventories, and the net realisable value of inventories as at 30 November 2024. Consequently, we are unable to satisfy ourselves as to the appropriateness of the carrying amount of the Group's inventories as at 30 November 2024. In the absence of sufficient appropriate audit evidence, we are also unable to ascertain the appropriateness of purchases and write-offs recognised in the profit or loss and any further write-down on inventories to be recognised in profit or loss for the financial period ended 30 November 2024 and the related disclosures, if any.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
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**Basis for Disclaimer of Opinion (continued)**

3. *Trade and other receivables*

Trade and other receivables of the Group and of the Company as at 30 November 2024 as disclosed in Note 6 to the financial statements amounted to RM25.0 million and RM34.3 million respectively. We have not been able to obtain sufficient appropriate audit evidence to ascertain the recoverability of and expected credit losses on trade and other receivables. Consequently, we are unable to satisfy ourselves as to the appropriateness of the carrying amount of the Group's trade and other receivables as at 30 November 2024 and the related disclosures in the notes to the financial statements for the financial period ended 30 November 2024.

4. *Bank balances and borrowings*

Included in cash and bank balances of the Group as at 30 November 2024 are bank balances of RM1.2 million as disclosed in Note 12 to the financial statements. Included in borrowings of the Group and of the Company as at 30 November 2024 are loans from financial institutions of RM127.1 million and RM110.1 million respectively as disclosed in Note 16 to the financial statements. We have not been able to obtain confirmation replies from the banks or financial institutions in respect of these bank balances and borrowings. Consequently, we are unable to satisfy ourselves as to the appropriateness of the carrying amounts of these bank balances and borrowings as at 30 November 2024.

5. *Trade and other payables*

Trade and other payables of the Group and of the Company as at 30 November 2024 amounted to RM332.9 million and RM385.4 million respectively as disclosed in Note 17 to the financial statements. We have not been able to obtain the sufficient appropriate audit evidence to ascertain the completeness of trade payables, accrued expenses and other payables as at 30 November 2024. Consequently, we are unable to satisfy ourselves as to the appropriateness of the carrying amount of the Group's trade and other payables as at 30 November 2024 and the related disclosures in the notes to the financial statements for the financial period ended 30 November 2024.

6. *Revenue*

As disclosed in Note 18 to the financial statements, the Group's and the Company's revenue amounted to RM358.8 million and RM22.6 million respectively for the financial period ended 30 November 2024. We have not been able to obtain sufficient appropriate audit evidence to ascertain the appropriateness and completeness of the revenue for financial period ended 30 November 2024. In view of the above, we are unable to satisfy ourselves as to the appropriateness of the Group's and the Company's revenue and the related disclosures in the notes to the financial statements for the financial period ended 30 November 2024.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
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**Basis for Disclaimer of Opinion (continued)**

**7. *Income and Expenses***

Other operating income of the Group and of the Company for financial period ended 30 November 2024 amounted to RM14.5 million and RM17.9 million respectively. Total expenses of the Group and of the Company for financial period ended 30 November 2024 amounted to RM364.1 million and RM277.9 million respectively. We have not been able to obtain sufficient appropriate audit evidence to ascertain the occurrence, completeness, accuracy and classification of income and expenses. Consequently, we are unable to satisfy ourselves in respect of the appropriateness of income and expenses and the related disclosures in the notes to the financial statements for the financial period ended 30 November 2024.

**8. *Presentation in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations***

During the financial period, the Company had disposed and derecognised its subsidiaries as disclosed in Note 7 to the financial statements. The presentation of discontinued operations on the statements of comprehensive income as a result of these disposals and derecognition is not in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Consequently, we are unable to reliably determine the recorded amounts of discontinued operations on the statements of comprehensive income of the Group for the financial periods ended 30 November 2024 and 31 May 2023 and the related disclosures.

**9. *Derecognition of a subsidiary***

During the financial period, the Company's subsidiary, Universal Cable (M) Berhad ("UCM") was subject to a cyber-attack which resulted in the loss of accounting data and records. We have been notified by the management of UCM that they had reconstructed the management accounts from 1 July 2023 to 14 May 2024 (date of derecognition) based on the information available. We were unable to confirm or verify by alternative means the accounting balances and transactions included in UCM's statement of financial position as at 14 May 2024. As a result, we are unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded transactions, and the elements making up the UCM's statement of comprehensive income, statement of changes in equity and statement of cash flows.

Consequently, we are unable to reliably determine the loss on derecognition of UCM recognised in the financial statements of the Group as at 30 November 2024 and its impact on its financial performance for the period then ended.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED) (continued)**  
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**Basis for Disclaimer of Opinion (continued)**

10. *Income tax*

Certain matters described in the preceding paragraphs have tax implications which have not been assessed by management. Should any adjustments be found necessary, the Group's and the Company's income taxes may have to be adjusted accordingly. We were unable to determine whether any adjustments are required on the financial statements of the Group and of the Company.

11. *Further significant impact on financial records*

In light of all the matters highlighted above, there may be further significant impact on the recorded assets, liabilities, income, expenses and the related disclosures of the Group's and the Company's financial statements. However, the financial statements have not taken into consideration these adjustments, if any. We were unable to determine whether any adjustments are required on the financial statements of the Group and of the Company.

We were unable to carry out certain procedures or to obtain information we considered necessary. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group and of the Company as at 30 November 2024.

**Responsibilities of Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED) (continued)**  
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**Auditors' Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the Group's and the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

*Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that:

- (a) in our opinion, the accounting and other records for the matter as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Companies Act 2016 in Malaysia.
- (b) in our opinion, we have not obtained all the information and explanations that we required.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SARAWAK CABLE BERHAD (INTERIM JUDICIAL MANAGER APPOINTED) (continued)**  
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**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

Kenny Yeoh Khi Khen  
No. 03229/09/2026 J  
Chartered Accountant

Kuala Lumpur

Date: 28 March 2025