



**SARAWAK CABLE BERHAD**  
**Registration No. 199801000274 (456400-V)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31.08.2023 RM'000	31.08.2022 RM'000	31.08.2023 RM'000	31.08.2022 RM'000
Revenue		92,061	179,274	92,061	179,274
Cost of sales		(91,761)	(168,475)	(91,761)	(168,475)
Gross profit		300	10,799	300	10,799
Other operating income		281	6,227	281	6,227
Administrative expenses		(4,412)	(4,744)	(4,412)	(4,744)
Other operating expenses		(3,235)	(8,138)	(3,235)	(8,138)
Operating loss		(7,066)	4,144	(7,066)	4,144
Finance costs		(6,165)	(4,107)	(6,165)	(4,107)
Loss before tax	A8	(13,231)	37	(13,231)	37
Income tax expense	A9	509	(583)	509	(583)
Loss for the period		(12,722)	(546)	(12,722)	(546)
Other comprehensive loss					
Exchange differences on translation of foreign operation		-	(2,198)	-	(2,198)
Net movement of cash flow hedges		-	(3,752)	-	(3,752)
Income tax related to cash flow hedges		-	900	-	900
Other comprehensive profit for the period, net of tax		-	(5,050)	-	(5,050)
Total comprehensive loss for the period, net of tax		(12,722)	(5,596)	(12,722)	(5,596)
<b>Loss for the year attributable to:</b>					
Equity holders of the company		(12,722)	(546)	(12,722)	(546)
Non-controlling interests		-	-	-	-
		(12,722)	(546)	(12,722)	(546)
<b>Total comprehensive loss for the period, net of tax attributable to:</b>					
Equity holders of the company		(12,722)	(5,596)	(12,722)	(5,596)
Non-controlling interests		-	-	-	-
		(12,722)	(5,596)	(12,722)	(5,596)
<b>Loss per share attributable to equity holders of the company (sen per share):</b>					
Basic	A10	(3.48)	(0.14)	(3.48)	(0.14)
Diluted	A10	(3.48)	(0.14)	(3.48)	(0.14)

*The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.*



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 AUGUST 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	31.08.2023 RM'000	31.05.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A11	202,573	206,022
Trade receivables		16,394	15,260
Investment in associate		1,782	1,710
		<u>220,749</u>	<u>222,992</u>
<b>Current assets</b>			
Inventories		75,458	72,832
Trade and other receivables		91,795	101,022
Other current assets		4,896	6,900
Contract assets		8,970	7,643
Tax assets		13,589	13,480
Cash and bank balances	A12	34,718	37,459
		<u>229,426</u>	<u>239,336</u>
Assets of a disposal group classified as held for sale	A7	59,870	59,870
		<u>289,296</u>	<u>299,206</u>
<b>TOTAL ASSETS</b>		<u><u>510,045</u></u>	<u><u>522,198</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Loans and borrowings	A13	388,750	388,644
Trade and other payables		103,510	96,115
Contract liabilities		18,151	24,345
		<u>510,411</u>	<u>509,104</u>
Liabilities of a disposal group classified as held for sale	A7	27,964	27,964
		<u>538,375</u>	<u>537,068</u>
<b>Net current liabilities</b>		<u>(249,079)</u>	<u>(237,862)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	A13	11,675	11,872
Trade payables		6,535	6,535
Deferred tax liabilities		30,083	30,624
		<u>48,293</u>	<u>49,031</u>
<b>Total liabilities</b>		<u>586,668</u>	<u>586,099</u>
<b>Net liabilities</b>		<u>(76,623)</u>	<u>(63,901)</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital		267,215	267,215
Reverse acquisition reserve		(37,300)	(37,300)
Foreign currency translation reserve		(4,642)	(4,642)
Accumulated losses		(296,422)	(283,700)
		<u>(71,149)</u>	<u>(58,427)</u>
Non-controlling interests		(5,474)	(5,474)
<b>Total equity</b>		<u>(76,623)</u>	<u>(63,901)</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>510,045</u></u>	<u><u>522,198</u></u>
Net liabilities per share attributable to owners of the Company (sen)		(19)	(16)

*The condensed consolidated statements of financial position should be read in conjunction with the accompanying notes attached to the interim financial statement.*



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Total Equity	Total equity attributable to equity holders of the Company, total	Attributable to equity holders of the Company					Non-controlling interests
			Share capital	Reverse acquisition reserve	Foreign currency translation reserves	Hedge reserve	Distributable	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 June 2022	36,441	40,928	267,215	(37,300)	(2,726)	(781)	(185,480)	(4,487)
Loss for the period	(546)	(546)	-	-	-	-	(546)	-
Other comprehensive income	(5,050)	(5,050)	-	-	(2,198)	(2,852)	-	-
Total comprehensive income	(5,596)	(5,596)	-	-	(2,198)	(2,852)	(546)	-
At 31 August 2022	30,845	36,332	267,215	(37,300)	(4,924)	(3,633)	(186,026)	(4,487)

*The condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements*



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Total Equity	Total equity attributable to equity holders of the Company, total	Attributable to equity holders of the Company					Non-controlling interests
			Share capital	Reverse acquisition reserve	Foreign currency translation reserves	Hedge reserve	Accumulated losses	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 June 2023	(63,901)	(58,427)	267,215	(37,300)	(4,642)	-	(283,700)	(5,474)
Loss for the year	(12,722)	(12,722)	-	-	-	-	(12,722)	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss	(12,722)	(12,722)	-	-	-	-	(12,722)	-
At 31 August 2023	(76,623)	(71,149)	267,215	(37,300)	(4,642)	-	(296,422)	(5,474)

*The condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements*



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD  
 ENDED 31 AUGUST 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	31.08.2023 Unaudited RM'000	31.05.2023 Audited RM'000
<b>Cash flow from operating activities</b>			
Loss before tax		(13,231)	(52,175)
Adjustments for:			
Bad debts written off		-	185
Depreciation of property, plant and equipment	A8	3,628	13,256
Finance lease receivable written off		-	141
Forfeiture of deposits, net		-	20
Gain on disposal of assets held for sales		-	(3,618)
Gain on disposal of property, plant and equipment	A8	(115)	-
Impairment losses on:			
- assets held for sales		-	2,961
- trade receivables		-	4,644
- other receivables		-	4,080
Interest expense	A8	6,165	21,485
Interest income	A8	(71)	(202)
Inventories written down	A8	-	598
Inventories written off		12	111
Property, plant and equipment written off		-	82
Reversal of allowance for impairment loss of trade receivables		-	(2,140)
Reversal of provision for inventories obsolescence		-	(194)
Share of results of an associate		(72)	(234)
Unrealised gain on foreign exchange, net	A8	(106)	(3,667)
Waiver of debts		-	(2,190)
Operating loss before working capital changes		<u>(3,790)</u>	<u>(16,857)</u>
Changes in working capital:			
(Increase)/decrease in inventories		(2,638)	44,622
Decrease in trade and other receivables		10,097	36,818
(Increase)/decrease in contract assets		(6,194)	774
(Decrease)/increase in contract liabilities		(1,327)	17,542
Increase/(decrease) in trade and other payables		7,501	(28,889)
Total changes in working capital		<u>7,439</u>	<u>70,867</u>
Cash flows generated from operations		3,649	54,010
Interest paid		(6,165)	(21,485)
Tax paid, net of refund		(141)	(1,551)
Net cash flows (used in)/from operating activities		<u>(2,657)</u>	<u>30,974</u>



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	31.08.2023 Unaudited RM'000	31.05.2023 Audited RM'000
<b>Cash flow from investing activities</b>			
Interest received		71	202
Investment in associate		-	(1,476)
Net change in pledged deposits		-	(669)
Proceeds from disposal of assets held for sales		-	37,328
Proceeds from disposal of property, plant and equipment		115	5
Purchase of property, plant and equipment		(179)	(2,723)
Net cash from investing activities		<u>7</u>	<u>32,667</u>
<b>Cash flow from financing activities</b>			
Advance from related party		-	1
Payment of lease liabilities		-	(408)
Repayment from loans and borrowings, net		(339)	(54,272)
Net cash used in financing activities		<u>(339)</u>	<u>(54,679)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,989)</b>	<b>8,962</b>
Effect on exchange rate changes		-	102
Cash and cash equivalents at 1 June 2022/1 June 2023		<u>22,409</u>	<u>13,345</u>
<b>Cash and cash equivalents at 31 August 2023/31 May 2023</b>	A12	<b><u>19,420</u></b>	<b><u>22,409</u></b>

*The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A1. Corporate information**

Sarawak Cable Berhad (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 26 October 2023.

**A2. Significant accounting policies**

These interim financial statements are unaudited and have been prepared in accordance with applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 May 2023.

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 May 2023, except for followings accounting standards, interpretations and/or amendments that have been issued by the Malaysian Accounting Standards Board but have not been adopted by the Group.

<b>Description</b>	<b>Effective Date</b>
• MFRS 17 <i>Insurance Contracts</i>	1 January 2023
• Amendment to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2023*
• Amendment to MFRS 3 <i>Business Combinations</i>	1 January 2023*
• Amendment to MFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2023*
• Amendment to MFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2023*/ 1 January 2024
• Amendment to MFRS 9 <i>Financial Instruments</i>	1 January 2023*
• Amendment to MFRS 10 <i>Consolidated Financial Statements</i>	Deferred
• Amendment to MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2023*
• Amendment to MFRS 16 <i>Leases</i>	1 January 2024
• Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2023*/ 1 January 2024
• Amendments to MFRS 107 <i>Statements of Cash Flows</i>	1 January 2023*/ 1 January 2024
• Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2023
• Amendments to MFRS 112 <i>Income Taxes</i>	1 January 2023
• Amendments to MFRS 116 <i>Property, Plant and Equipment</i>	1 January 2023*
• Amendments to MFRS 119 <i>Employee Benefits</i>	1 January 2023*
• Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures</i>	Deferred/ 1 January 2023*
• Amendments to MFRS 132 <i>Financial instruments: Presentation</i>	1 January 2023*
• Amendments to MFRS 136 <i>Impairment of Assets</i>	1 January 2023*
• Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2023*
• Amendments to MFRS 138 <i>Intangible Assets</i>	1 January 2023*
• Amendments to MFRS 140 <i>Investment Property</i>	1 January 2023*

\*Amendments as to the consequence of effective of MFRS 17 *Insurance Contracts*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A2. Significant accounting policies (contd.)**

The pronouncements are not expected to have any material impact to the financial statements of the Group and of the Company.

**A3. Changes in estimates**

There were no changes in estimates that have a material effect in the current interim results.

**A4. Item of unusual nature, size or incidence**

There was no item of unusual nature, size or incidence.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A5. Segment information**

	Sales of cables and wires		Sales of galvanised products and steel structures		Transmission lines construction		Helicopter services and corporate		Total		Adjustments/ elimination		Per condensed consolidated financial statements	
	31 Aug 2023 RM'000	31 Aug 2022 RM'000	31 Aug 2023 RM'000	31 Aug 2022 RM'000	31 Aug 2023 RM'000	31 Aug 2022 RM'000	31 Aug 2023 RM'000	31 Aug 2022 RM'000	31 Aug 2023 RM'000	31 Aug 2022 RM'000	31 Aug 2023 RM'000	31 Aug 2022 RM'000	31 Aug 2023 RM'000	31 Aug 2022 RM'000
<b>Revenue</b>														
External customers	68,823	169,835	4,083	4,403	19,155	4,435	-	601	92,061	179,274	-	-	92,061	179,274
Inter-segment	5,372	-	-	-	-	-	796	1,455	6,168	1,455	(6,168)	(1,455)	-	-
<b>Total revenue</b>	<b>74,195</b>	<b>169,835</b>	<b>4,083</b>	<b>4,403</b>	<b>19,155</b>	<b>4,435</b>	<b>796</b>	<b>2,056</b>	<b>98,229</b>	<b>180,729</b>	<b>(6,168)</b>	<b>(1,455)</b>	<b>92,061</b>	<b>179,274</b>
<b>Segment loss</b>	<b>(8,964)</b>	<b>2,059</b>	<b>(721)</b>	<b>(236)</b>	<b>(771)</b>	<b>1,549</b>	<b>(1,801)</b>	<b>(3,364)</b>	<b>(12,257)</b>	<b>8</b>	<b>974</b>	<b>29</b>	<b>(13,231)</b>	<b>37</b>



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**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A5. Segment information (contd.)**

The Group is organised into business units based on their products and services, and has four operating segments as follows:

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

**Sales of cables and wires**

The sales of cables and wires segment contributed 74.8% (31 August 2022: 94.7%) of the total revenue of the Group for the period ended 31 August 2023.

The segment recorded a revenue and loss before tax of RM68.8 million and RM9.0 million respectively for the period ended 31 August 2023. As the proposed restructuring program is still in progress, the Group’s credit and financing lines are on a stand-still. Therefore, we are currently operating under a lower capacity using all internal resources in the Group. This has resulted in a reduced production and lower revenue recorded. Since the production has reduced, this has led to a higher unabsorbed overheads, resulting in a segment loss for the reporting period.

Market demand for products under this segment remains strong and we continue to have good book orders in hand.

**Sales of products and steel structures**

The sales of products and steel structures segment contributed 4.4% (31 August 2022: 2.5%) of the total revenue of the Group for the period ended 31 August 2023.

The Group’s subsidiary whose sales and services are in this segment, concentrates mainly in East Malaysia.

This segment recorded a loss before tax of RM0.7 million for period ended 31 August 2023. The segment is also operating using internal resources as its credit and financing lines are also on a stand-still while negotiation with creditors is in progress. This has resulted in a reduced operations and therefore, the low revenue was insufficient to cover the manufacturing and operating expenses leading to a segment loss recognised for the reporting period.

Market demand for products under this segment has started to pick up gradually.

The Group continues to explore opportunities to supply and sell its products and services in Malaysia and especially in Borneo Island.



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**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A5. Segment information (contd.)**

**Transmission lines construction**

The transmission line construction segment contributed 20.8% (31 August 2022: 2.5%) of the total revenue of the Group for the period ended 31 August 2023.

The segment recorded a revenue and loss before tax of RM19.2 million and RM0.8 million respectively for the financial period ended 31 August 2023.

Progress of all projects are also affected by the stand-still of its financing lines. Despite that, we are making every effort to ensure that all on-going projects are to be completed within the committed construction period.

The Group continuous plans for the power transmission industry, includes active participation in works as subcontractors and implement and strengthen our project management team to better manage the cost and completion timeline of on-going projects.

**Helicopter services and corporate**

The helicopter services and corporate segment provides provision of helicopter services and Group-level corporate and management services.

**Consolidated loss before tax**

The Group recorded a loss before tax of RM13.2 million (31 August 2022: profit before tax of RM37,000) for the period ended 31 August 2023 is mainly due to segment loss recorded for cables and wires segment, and galvanized products and steel structures segment as production has slowed down due to the stand-still in credit and financing lines.

The other factors which had affected the current quarter’s loss before tax are explained above.

**A6. Seasonality of operations**

The Group's operations were not significantly affected by seasonal or cyclical factors.

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**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A7. Asset held for sale**

On 29 July 2022, the Company made an announcement that it has entered into a Conditional Share Purchase Agreement (“CSPA”) to dispose of PT. Inpola Elektrindo (“PT. IME”), a subsidiary which the Company holds 78.33% equity interest. The business of PT. IME represented the entirety of the Group’s power generation operation segment. With PT. IME being classified as discontinued operation, the power generation operation segment is no longer presented in the segment note. The proposed disposal of PT. IME is expected to be completed by the third quarter of 2023.

At 31 August 2023, the assets and liabilities related to PT. IME have been presented as assets held for sale.

**Statement of financial position disclosure:**

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

	31 August 2023 RM’000
Assets	
Property, plant and equipment	15
Intangible asset	2,510
Concession financial asset	112,018
Other current assets	342
Cash and bank balances	2,420
	<hr/> 117,305
Loss on disposal of discontinued operation	<hr/> (57,435)
Assets held for sale	<hr/> <hr/> 59,870
Liabilities	
Loans and borrowings	(17,430)
Trade and other payables	(3,136)
Tax payables	(1,964)
Deferred tax liabilities	(5,434)
Liabilities directly associated with assets held for sale	<hr/> (27,964)
Net assets directly associated with disposal group	<hr/> <hr/> 31,906

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**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A8. The following items have been included in arriving at loss before tax:**

	Current 3 months ended		Cumulative 3 months ended	
	31 Aug 2023	31 Aug 2022	31 Aug 2023	31 Aug 2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	3,628	3,579	3,628	3,579
Gain on disposal of property, plant and equipment	(115)	(59)	(115)	(59)
Interest expenses	6,165	4,107	8,376	4,107
Interest income	(71)	(13)	(1,091)	(13)
Inventories written down	-	53	-	53
Inventories written off	12	-	12	-
Reversal of impairment loss recognised on the remeasurement to fair value	-	(126)	-	(126)
Share of results of an associate	(72)	-	(72)	-
Unrealised (gain)/loss on foreign exchange	(106)	156	(106)	156

**A9. Income tax expense**

	Current 3 months ended		Cumulative 3 months ended	
	31 Aug 2023	31 Aug 2022	31 Aug 2023	31 Aug 2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Based on results for the year	50	704	50	704
Deferred income tax:				
Origination and reversal of temporary differences	(377)	(121)	(377)	(121)
Under provision of deferred tax in respect of previous year	(182)	-	(182)	-
	(559)	(121)	(559)	(121)
Income tax expense recognised in profit or loss	(509)	583	(509)	583

The effective tax rate for the current quarter and financial period ended 31 August 2023 was lower than the statutory tax rate principally due to reduction of deferred tax liabilities.

The effective tax rate for the previous quarter and financial period ended 31 August 2022 was higher than the statutory tax rate principally due to certain expenses which are not deductible for tax purposes and deferred tax assets not recognised for losses incurred in certain subsidiaries.

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**SARAWAK CABLE BERHAD**  
Registration No. 199801000274 (456400-V)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A10. Loss per share**

Basic loss per share amounts are calculated by dividing loss for the year, net of tax, attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

The Group had no potential ordinary shares in issue as at the reporting date and therefore, diluted loss per share is presented as equal to basic loss per share.

The following are the loss and share data used in the computation of basic and diluted loss per share:

	Current quarter		Current period to date	
	31 Aug 2023	31 Aug 2022	31 Aug 2023	31 Aug 2022
Loss net of tax attributable to owners of the Company (RM'000)	(12,722)	(546)	(12,722)	(546)
Weighted average number of ordinary shares in issue ('000)	<u>398,985</u>	<u>398,985</u>	<u>398,985</u>	<u>398,985</u>
Basic loss per share (sen per ordinary share)	(3.19)	(0.14)	(3.19)	(0.14)
Diluted loss per share (sen per ordinary share)	<u>(3.19)</u>	<u>(0.14)</u>	<u>(3.19)</u>	<u>(0.14)</u>

**A11. Property, plant and equipment**

During the period ended 31 August 2023, the Group acquired assets at the cost of RM0.2 million.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A12. Cash and bank balances**

Cash and bank balances comprised the following amounts:

	<b>31 Aug 2023 RM’000</b>	<b>31 May 2023 RM’000</b>
Cash in hand and at banks	31,650	34,391
Deposits with licensed banks	3,068	3,068
<b>Cash and bank balances</b>	<u>34,718</u>	<u>37,459</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	<b>31 Aug 2023 RM’000</b>	<b>31 May 2023 RM’000</b>
Cash and bank balances	34,718	37,459
Less: Bank overdrafts	(12,230)	(11,982)
Deposits pledged	(3,068)	(3,068)
<b>Cash and cash equivalents</b>	<u>19,420</u>	<u>22,409</u>

**A13. Loans and borrowings**

	<b>31 Aug 2023 RM’000</b>	<b>31 May 2023 RM’000</b>
<b>Current</b>		
Secured	325,710	326,154
Unsecured	63,040	62,490
	<u>388,750</u>	<u>388,644</u>
<b>Non-current</b>		
Secured	11,675	11,285
Unsecured	-	587
	<u>11,675</u>	<u>11,872</u>
	<u>400,425</u>	<u>400,516</u>

**A14. Dividend paid**

No dividend had been paid for the period ended 31 August 2023.

**A15. Commitments**

	<b>31 Aug 2023 RM’000</b>	<b>31 May 2023 RM’000</b>
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	6	33
Approved but not contracted for:		
Property, plant and equipment	4,329	4,428
	<u>4,335</u>	<u>4,461</u>



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Contingencies**

There were no significant contingencies as at the end of the current financial quarter.

**B2. Related party transactions**

The following table provides information on the transactions which were entered into with related parties during the period ended 31 August 2023 and 31 August 2022 as well as the balances with the related parties as at 31 August 2023 and 31 May 2023.

		Aug 2023/Aug 2022		Aug 2023/May 2023	
		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
		RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries of Sarawak Energy Berhad:					
Syarikat SESCO Berhad	Aug'23	403	-	Aug'23	403
	Aug'22	280	-	May'23	-
Transactions with subsidiaries of Hng Capital Sdn Bhd:					
Alpha Industries Sdn. Bhd.	Aug'23	733	18,707	Aug'23	353
	Aug'22	273	40,740	May'23	311
Leader Solar Sdn. Bhd.	Aug'23	-	144	Aug'23	-
	Aug'22	-	112	May'23	-

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B3. Review of performance**

Explanatory comments on the performance of each of the Group’s business segments are provided in Note A5.

**B4. Comment on material change in loss before taxation**

The loss before taxation for the quarter ended 31 August 2023 is lower than the immediate preceding quarter. As explained in Note A5, the Group’s credit and financing lines which is still at a stand-still has resulted in the Group operating in a lower capacity, using the Group’s internal resources. This has led to lower revenue and high unabsorbed operating expenses.

**B5. Commentary on prospects**

The Group’s cables and wires segment book orders remain high, with an encouraging increase in book order for galvanized products and steel structures segment, that will contribute positively to the Group.

The Group held a court convened meeting with its scheme creditors on 26 September 2023. The Group proposed a total of ten (10) debt restructuring schemes of which eight (8) were passed and two (2) failed, however as the restructuring scheme was created inter-conditional amongst itself, overall, the Group proposed restructuring scheme did not pass.

As such the Group is currently negotiating with its creditors for a new restructuring scheme to address the concerns raised by its creditors. We remain optimistic that an agreement will be reached which will rehabilitate the financial position and prospects of the Group.

**B6. Profit forecast or profit guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

**B7. Corporate proposals**

Proposal for disposal of equity interest held in PT Inpola Mitra Elektrindo (“PT IME”) to KAB Energy Holdings Sdn Bhd (“KEH”), a wholly owned subsidiary of Kejuruteraan Asastera Berhad

On 19 January 2022, the Company announced that it has entered into a term sheet with KEH for the proposed disposal of equity interest in PT IME to KEH (“Proposed Disposal”) and that the Proposed Disposal is subject to a share sale and purchase agreement to be entered upon satisfactory completion of the due diligence exercise to be carried out by KEH on PT IME.

On 29 July 2022, the Company announced that it has entered into a Conditional Share Purchase Agreement (“SPA”) for the Proposal Disposal with KEH for a total consideration of RM75.0 million.

On 30 November 2022, the Company announced that the Company and KEH had mutually agreed to extend the Conditional Period mentioned in the SPA for a period of three (3) months from 28 October 2022 until 28 January 2023 with an option to extend the Conditional Period for an additional three (3) months, if mutually agreed by both the Company and KEH.

On 13 December 2022, the Company announced that it had obtained approval from Bursa Securities for an extension up to 28 February 2023 to submit the draft circular on the Proposed Disposal.

On 10 February 2023, the Company announced that the Company and KEH had mutually agreed to extend the Conditional Period until 30 April 2023.

On 13 April 2023, the Company announced that the Company and KEH had mutually agreed to extend the Conditional Period for a period of three (3) months from 30 April 2023 until 31 July 2023.

On 23 June 2023, the Company announced that the ordinary resolution on the above-mentioned proposed disposal was duly passed by the shareholders of the Company by way of poll via remote participation and electronic voting at the Extraordinary General Meeting held on 23 June 2023.



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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023**

### **PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

#### **B7. Corporate proposals (contd.)**

On 31 July 2023, the Company announced that all conditions precedent under the CSPA have been satisfied at 31 July 2023 and the Company and KEH have agreed that the CSPA has become unconditional on 31 July 2023.

On 29 August 2023, the Company announced that the transfer of shares in PT IME from the Company to KEH was completed on 28 August 2023. As announced on 31 July 2023, the Proposed Disposal has become unconditional and as such the payment of the remaining Completion Amount less any Retention Amount by the KEH shall be no later than 31 October 2023, being 3 months from the Unconditional Date.

#### **B8. Changes in material litigation**

##### **Winding-up petition served by OCBC Bank (Malaysia) Berhad (“the Petitioner”) against Leader Cable Industry Berhad and Universal Cable (M) Berhad (“the Respondents”)**

On 9 October 2023, the Respondents, being wholly owned subsidiaries of the Company had received the winding-up petition served by the Petitioner. The petition was presented by the Petitioner to the High Court of Malaya at Kuala Lumpur on 4 October 2023.

The Respondents are indebted to the Petitioner a sum of RM46,158,000.00 and RM28,352,180.81 as at 15 September 2022 respectively with interest that continues to accrue to the Petitioner.

The Company has appointed legal counsel for this purpose and has sought preliminary legal advice and intends to challenge and oppose the Petition and the appointment of the Interim Liquidator.

#### **B9. Dividends payable**

No dividend was payable for quarter ended 31 August 2023.

#### **B10. Disclosure of nature of outstanding derivatives**

There was no outstanding derivative as of this quarter ended 31 August 2023.

#### **B11. Risks and policies of derivatives**

There was no outstanding derivative as of this quarter ended 31 August 2023.

#### **B12. Disclosure of gains/losses arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 August 2023 and 31 May 2023 other than the derivatives as disclosed in Note B10 above.

#### **B13. Auditors’ report on preceding annual financial statements**

The auditors’ report on the financial statements for the year ended 31 May 2023 was qualified with disclaimer of opinion.

#### **B14. Authorised for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 October 2023.

By order of the Board