



SARAWAK CABLE BERHAD
(456400-V)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
Revenue		207,002	139,155	388,765	317,971
Cost of sales		(189,678)	(123,039)	(361,246)	(280,678)
Gross profit		17,324	16,116	27,519	37,293
Other operating income		2,816	734	5,113	1,620
Administrative expenses		(6,140)	(7,568)	(12,891)	(14,768)
Other operating expenses		(7,194)	(6,565)	(11,880)	(13,690)
Operating profit		6,806	2,717	7,861	10,455
Finance costs		(6,829)	(6,580)	(13,029)	(13,127)
Loss before tax	A7	(23)	(3,863)	(5,168)	(2,672)
Income tax expense	A8	(2,289)	(1,871)	(3,256)	(4,688)
Loss for the period		(2,312)	(5,734)	(8,424)	(7,360)
Other comprehensive income					
Exchange differences on translation of foreign operation		(36)	7	(146)	(291)
Net movement of cash flow hedges		(1,632)	(563)	936	(2,168)
Income tax related to cash flow hedges		391	-	(225)	-
Other comprehensive income for the period, net of tax		(1,277)	(556)	565	(2,459)
Total comprehensive income for the period, net of tax		(3,589)	(6,290)	(7,859)	(9,819)
Loss for the period attributable to:					
Equity holders of the company		(1,875)	(5,111)	(7,568)	(5,795)
Non-controlling interests		(437)	(623)	(856)	(1,565)
		(2,312)	(5,734)	(8,424)	(7,360)
Total comprehensive income for the period, net of tax attributable to:					
Equity holders of the company		(3,144)	(5,668)	(6,971)	(8,190)
Non-controlling interests		(445)	(622)	(888)	(1,629)
		(3,589)	(6,290)	(7,859)	(9,819)
Loss per share attributable to Equity holders of the company (sen per share):					
Basic	A9	(0.59)	(1.61)	(2.39)	(1.83)
Diluted	A9	(0.59)	(1.61)	(2.39)	(1.83)

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 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31.06.2019 RM'000	31.12.2018 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A10	409,976	424,410
Intangible assets		2,510	2,510
Deferred tax assets		37,141	36,932
Concession financial assets	A11	98,367	92,671
Trade receivables		35,872	39,234
		<u>583,866</u>	<u>595,757</u>
Current assets			
Inventories		133,043	123,421
Trade and other receivables		266,574	197,443
Other current assets		18,114	8,206
Contract assets		12,575	2,954
Tax recoverable		8,897	9,295
Cash and bank balances	A13	27,051	47,859
		<u>466,254</u>	<u>389,178</u>
Assets held for sale		-	2,191
		<u>466,254</u>	<u>391,369</u>
TOTAL ASSETS		<u>1,050,120</u>	<u>987,126</u>
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	A14	505,645	455,605
Finance lease payables		2,788	2,825
Trade and other payables		136,291	103,887
Contract liabilities		17,638	8,462
Derivatives liabilities	A12	3,379	4,314
Income tax payable		1,321	1,016
		<u>667,062</u>	<u>576,109</u>
Net current liabilities		<u>(200,808)</u>	<u>(184,740)</u>
Non-current liabilities			
Loans and borrowings	A14	101,221	120,194
Finance lease payable		15,222	16,874
Trade payables		15,402	15,401
Deferred tax liabilities		16,942	16,418
		<u>148,787</u>	<u>168,887</u>
Total liabilities		<u>815,849</u>	<u>744,996</u>
Net assets		<u>234,271</u>	<u>242,130</u>
Equity attributable to equity holders of the Company			
Share capital		238,321	238,321
Reverse acquisition reserve		(37,300)	(37,300)
Foreign currency translation reserve		(814)	(700)
Hedge reserve		(2,568)	(3,279)
Revenue reserves		38,511	46,079
		<u>236,150</u>	<u>243,121</u>
Non-controlling interests		(1,879)	(991)
Total equity		<u>234,271</u>	<u>242,130</u>
TOTAL EQUITY AND LIABILITIES		<u>1,050,120</u>	<u>987,126</u>
Net assets per share attributable to owners of the Company (sen)		74	76

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 30 JUNE 2019

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	Revenue reserves	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2018	285,206	284,813	238,321	(37,300)	(529)	723	83,598	393
Loss for the period	(7,360)	(5,795)	-	-	-	-	(5,795)	(1,565)
Other comprehensive income	(2,459)	(2,395)	-	-	(227)	(2,168)	-	(64)
Total comprehensive income	(9,819)	(8,190)	-	-	(227)	(2,168)	(5,795)	(1,629)
At 30 June 2018	275,387	276,623	238,321	(37,300)	(756)	(1,445)	77,803	(1,236)

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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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	Revenue reserves	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	242,130	243,121	238,321	(37,300)	(700)	(3,279)	46,079	(991)
Loss for the period	(8,424)	(7,568)	-	-	-	-	(7,568)	(856)
Other comprehensive income	565	597	-	-	(114)	711	-	(32)
Total comprehensive income	(7,859)	(6,971)	-	-	(114)	711	(7,568)	(888)
At 30 June 2019	234,271	236,150	238,321	(37,300)	(814)	(2,568)	38,511	(1,879)

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
30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Current period to date	Preceding year corresponding period
	Note	30.06.2019 RM'000	30.06.2018 RM'000
Operating activities			
Loss before tax		(5,168)	(2,672)
Adjustments for:			
Bad debts written off	A7	119	100
Concession financial income	A7	(1,226)	-
Depreciation of property, plant and equipment	A7	10,848	11,051
Loss/ (gain) on disposal of property, plant and equipment	A7	508	(6)
Interest expense	A7	13,029	13,127
Interest income	A7	(1,146)	(199)
Inventories written down	A7	8	5
Reversal of allowance for impairment loss of trade receivables, net	A7	(77)	(55)
Unrealised loss on foreign exchange	A7	1,368	5,442
Operating cash flows before working capital changes		<u>18,263</u>	<u>26,793</u>
Changes in working capital:			
(Increase)/ decrease in inventories		(9,630)	6,170
(Increase)/ decrease in trade and other receivables		(65,809)	37,282
(Increase)/ decrease in other current assets		(10,353)	46,434
Increase/ (decrease) in trade and other payables		24,093	(62,311)
Increase in amount due to related party		2,358	-
Increase in concessions financial assets		(2,834)	(1,039)
Total changes in working capital		<u>(62,175)</u>	<u>26,536</u>
Cash (used in)/ generated from operations		(43,912)	53,329
Interest paid		(13,029)	(13,127)
Tax paid, net of refund		(2,464)	(1,982)
Net cash flows (used in)/ generated from operating activities		<u>(59,405)</u>	<u>38,220</u>



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UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

	Note	Current period to date 30.06.2019 RM'000	Preceding year corresponding period 30.06.2018 RM'000
Investing activities			
Proceeds from disposal of property, plant and equipment		10,168	-
Purchase of property, plant and equipment		(4,899)	(2,905)
Interest received		1,146	199
Net cash generated from/ (used in) investing activities		6,415	(2,706)
Financing activities			
Drawdown/ (repayment) from borrowings		34,450	(42,740)
Decrease in cash and bank balances pledged for bank borrowings		12,731	1,606
Net cash generated from/ (used in) financing activities		47,181	(41,134)
Net decrease in cash and cash equivalents			
Effect on exchange rate changes		(5,809)	(5,620)
Cash and cash equivalents at 1 January		(1,284)	2,422
		27,279	17,678
Cash and cash equivalents at 30 June	A13	20,186	14,480

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 30 JUNE 2019

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 22 August 2019.

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 December 2018.

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 December 2018 except for the adoption of new standards effective as at 1 January 2019:

- IC Interpretation 23 Uncertainty over Income Tax Treatments
- MFRS 16 Leases
- Annual Improvements to MFRSs 2015-2017 Cycle:
 - (i) Amendments to MFRS 3: Business Combinations
 - (ii) Amendments to MFRS 11: Joint Arrangements
 - (iii) Amendments to MFRS 112: Income Taxes
 - (iv) Amendments to MFRS 123: Borrowings Costs
- Amendments to MFRS 9: Prepayment Features with Negative Compensation
- Amendments to MFRS 128: Long-term Interest in Associates and Joint Ventures
- Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

The initial application of the above do not have any material impact on the financial statement of the Group.

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

A5. Segment information

	Sales of power and telecommunication cables		Sales of galvanised products and steel structures		Transmission lines construction		Power generation, helicopter services and corporate		Total		Adjustments/ elimination		Per condensed consolidated financial statements	
	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Revenue														
External customers	330,409	271,186	8,599	12,433	41,754	26,124	8,003	8,228	388,765	317,971	-	-	388,765	317,971
Inter-segment	-	-	-	-	-	-	3,800	1,960	3,800	1,960	(3,800)	(1,960)	-	-
Total revenue	330,409	271,186	8,599	12,433	41,754	26,124	11,803	10,188	392,565	319,931	(3,800)	(1,960)	388,765	317,971
Segment profit/(loss)	7,129	12,030	(617)	896	84	(333)	(11,764)	(15,265)	(5,168)	(2,672)	-	-	(5,168)	(2,672)

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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 power and telecommunication cables 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 power generation, helicopter services and corporate segment is involved in power generation business, provision of helicopter services and Group-level corporate and management services.

Sales of power and telecommunication cables

The sales of power and telecommunication cables segment contributed 85.0% (30 June 2018: 85.3%) of the total revenue of the Group for the period ended 30 June 2019 and is the main contributor to the Group’s operating profit in 2019.

The segment recorded a revenue and profit before tax of RM330.4 million and RM7.1 million respectively for the period ended 30 June 2019 as compared to revenue and profit before tax of RM271.2 million and RM12.0 million respectively in the corresponding period ended 30 June 2018. Although revenue has increased and operating costs remain fairly consistent, the profit has dropped as a result of cable sales mix (whereby different cables carry different margin). Market demand for products under this segment has been challenging in the first half year but shown improvement. The Group is currently exploring to the opportunity to increase its overseas market.

Sales of galvanised products and steel structures

The sales of galvanised products and steel structures segment contributed 2.2% (30 June 2018: 3.9%) of the total revenue of the Group for the period ended 30 June 2019.

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

This segment recorded loss before tax of RM0.6 million when compared with corresponding period ended 30 June 2018 profit before tax of RM0.9 million. Market demand for products under this segment has been relatively weak.

The Group expects to participate in the supply of galvanised products and steel structures to Pan Borneo highway; a road network on Borneo Island connecting the State of Sabah and Sarawak in Malaysia, with Brunei and Kalimantan in Indonesia, and other projects initiation by the State of Sarawak comprising of Second Trunk Road, upgrading of Coastal Road and proposed roads and bridges under Regional Corridor Development Authority (RECODA).



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A5. Segment information (contd.)

Transmission lines construction

The transmission line construction segment contributed 10.7% (30 June 2018: 8.2%) of the total revenue of the Group for the period ended 30 June 2019.

The segment recorded a revenue and profit before tax of RM41.8 million and RM84,000 respectively for the financial period ended 30 June 2019 as compared to revenue of RM26.1 million and loss before tax of RM0.3 million respectively for the corresponding period in 2018.

The Group continuous plans for the power transmission industry, includes moving operation to focus on works in the State of Sarawak, actively participating in works as subcontractors and implement and strengthen our project management team to better manage the cost and completion timeline of on-going projects.

Power generation, helicopter services and corporate

The power generation, helicopter services and corporate segment provides power generation business, provision of helicopter services and Group-level corporate and management services. In the financial period ended 30 June 2019, power generation, helicopter services and corporate segment contributed RM8.0 million to the total revenue of the Group.

The hydro dam in Medan Indonesia is still under construction and is expected to commission and commenced operation by second half of 2019.

In the current period under review and due to compliance with IC Interpretation 12: Service Concession Arrangement under the financial assets model, we have recognised finance cost amounting to RM1.9 million. This finance cost represents loan taken to finance construction of the hydro dam.

The Group also recognised an unrealized foreign exchange gain of approximately RM4.6 million upon translation from Indonesia Rupiah to Ringgit Malaysia.

Currently, all but one (1) unit of helicopter are leased out on long term contracts. The aviation segment incurred rather high expenses in terms of finance costs and maintenance costs and therefore the Group is actively seeking to lease the balance of its helicopters.



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A5. Segment information (contd.)

Consolidated loss before tax

The Group recorded a loss before tax of RM5.2 million (30 June 2018: loss before tax of RM2.7 million) for the period ended 30 June 2019, principally due to losses incurred in power generation and aviation segment. The Group records a solid EBITA at RM18.7 million for the period ended 30 June 2019.

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.

A7. The following items have been included in arriving at loss before tax:

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Bad debts written off	119	50	119	100
Concession financial income	(1,226)	-	(1,226)	-
Depreciation of property, plant and equipment	5,525	5,550	10,848	11,051
Loss/ (gain) on disposal of property, plant and equipment	823	-	508	(6)
Interest expense	6,829	6,580	13,029	13,127
Interest income	(1,089)	(137)	(1,146)	(199)
Inventories written down	8	-	8	5
Reversal of allowance for impairment loss of trade receivables, net	(73)	(55)	(77)	(55)
Unrealised loss on foreign exchange	1,267	2,490	1,368	5,442

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A8. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Current income tax:				
Based on results for the year	2,143	1,915	3,192	3,609
Over provision of deferred tax in respect of previous period	-	-	-	(87)
Deferred income tax	146	(44)	64	1,166
	<u>2,289</u>	<u>1,871</u>	<u>3,256</u>	<u>4,688</u>

The effective tax rate for the current quarter and previous quarter ended 30 June 2019 and 2018 was higher than the statutory 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.

A9. Loss per share

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

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 year quarter		Current year to date	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Loss net of tax attributable to equity holders The Company (RM'000)	<u>(1,875)</u>	<u>(5,111)</u>	<u>(7,568)</u>	<u>(5,795)</u>
Weighted average number of ordinary shares in issue (‘000)	<u>317,050</u>	<u>317,050</u>	<u>317,050</u>	<u>317,050</u>
Basic loss per share (sen per ordinary share)	<u>(0.59)</u>	<u>(1.61)</u>	<u>(2.39)</u>	<u>(1.83)</u>
Diluted loss per share (sen per ordinary share)	<u>(0.59)</u>	<u>(1.61)</u>	<u>(2.39)</u>	<u>(1.83)</u>



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A10. Property, plant and equipment

During the period ended 30 June 2019, the Group acquired assets at the cost of RM4.9 million (30 June 2018: RM2.9 million).

A11. Concession financial assets

	30 June 2019 RM'000	31 December 2018 RM'000
At 1 January	92,671	85,990
Concession construction revenue	2,834	4,987
Accrued financial income	1,226	4,435
Exchange difference	1,636	(2,741)
At 30 June 2019/31 December 2018	<u>98,367</u>	<u>92,671</u>

A12. Fair Value hierarchy

The Group held commodity forward contracts carried at fair value based on Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. The identical assets and liabilities as follows:

	30 June 2019 RM'000	31 December 2018 RM'000
Derivatives liabilities	<u>3,379</u>	<u>4,314</u>

There was no transfer between any levels of the fair value hierarchy and there was no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset during the quarter.

A13. Cash and bank balances

Cash and bank balances comprised the following amounts:

	30 June 2019 RM'000	31 December 2018 RM'000
Cash in hand and at banks	21,171	25,760
Deposits with licensed banks	5,880	22,099
Cash and bank balances	<u>27,051</u>	<u>47,859</u>



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A13. Cash and bank balances (Contd.)

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

	30 June 2019 RM'000	31 December 2018 RM'000
Cash and bank balances	27,051	47,859
Less: Bank overdrafts	(985)	(1,969)
Cash restricted for repayment	(1,639)	(4,007)
Deposits pledged	(4,241)	(14,604)
Cash and cash equivalents	<u>20,186</u>	<u>27,279</u>

A14. Loans and borrowings

	30 June 2019 RM'000	31 December 2018 RM'000
Current		
Secured	75,375	61,213
Unsecured	430,270	394,392
	<u>505,645</u>	<u>455,605</u>
Non-current		
Secured	98,655	117,494
Unsecured	2,566	2,700
	<u>101,221</u>	<u>120,194</u>
	<u>606,866</u>	<u>575,799</u>

Included in the secured borrowing is a borrowing denominated in foreign currency: -

	30 June 2019 USD'000	31 December 2018 USD'000
USD term loan	<u>15,001</u>	<u>7,589</u>

A15. Dividend paid

No dividend had been paid for the period ended 30 June 2019.

A16. Commitments

	30 June 2019 RM'000	31 December 2018 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	1,429	632
Approved but not contracted for:		
Property, plant and equipment	5,846	6,888
	<u>7,275</u>	<u>7,520</u>



SARAWAK CABLE BERHAD
(456400-V)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

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 30 June 2019 and 30 June 2018 as well as the balances with the related parties as at 30 June 2019 and 31 December 2018.

		Sales to related parties RM'000	June Purchases from related parties RM'000	June/December Amounts owed by related parties RM'000	June/December Amounts owed to related parties RM'000
Transactions with subsidiaries of Sarawak Energy Berhad:					
Syarikat	2019	3,337	-	562	-
SESCO Berhad	2018	12,259	-	1,967	-
Transactions with subsidiaries of Hng Capital Sdn Bhd:					
Alpha Industries Sdn. Bhd.	2019	1,975	60,879	-	8,028
	2018	3,879	73,736	-	8,513
Transactions with subsidiaries of Leader Universal Aluminium Sdn. Bhd.:					
	2019	-	2,968	-	625
	2018	240	7,376	-	-



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

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 profit before taxation

The loss before taxation for the quarter ended 30 June 2019 is less than the immediate preceding quarter mainly due to higher contribution from sales of power and telecommunication towers.

B5. Commentary on prospects

The Group anticipates improving performance in the coming quarters, barring any unforeseen circumstances.

B6. Profit forecast or profit guarantee

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

B7. Corporate proposals

There were no corporate proposals.

B8. Changes in material litigation

There were no material litigation during the current financial period up to the date of this quarterly report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

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

B9. Dividends payable

No dividend was payable for the period ended 30 June 2019.

B10. Disclosure of nature of outstanding derivatives

The outstanding derivatives were for the forward hedges with the London Metal Exchange (“LME”) brokers.

B11. Risks and policies of derivatives

The Group will only enter into a LME or currency derivative to hedge against potential commodity or currency fluctuation.

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 30 June 2019 and 31 December 2018 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 December 2018 was not qualified.

B14. Authorised for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 August 2019.

By order of the Board

Teoh Wen Jinq
Company Secretary
22 August 2019