



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

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020**

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

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Revenue		110,672	207,002	263,367	388,765
Cost of sales		(108,226)	(189,678)	(254,074)	(361,246)
Gross profit		2,446	17,324	9,293	27,519
Other operating income		(8,773)	2,816	3,551	5,113
Administrative expenses		(4,934)	(6,140)	(11,548)	(12,891)
Other operating expenses		(4,216)	(7,194)	(8,973)	(11,880)
Operating (loss)/profit		(15,477)	6,806	(7,677)	7,861
Finance costs		(4,353)	(6,829)	(9,450)	(13,029)
Loss before tax	A7	(19,830)	(23)	(17,127)	(5,168)
Income tax expense	A8	(912)	(2,289)	(1,431)	(3,256)
Loss for the period		(20,742)	(2,312)	(18,558)	(8,424)
Other comprehensive income					
Exchange differences on translation of foreign operation		490	(36)	(317)	(146)
Net movement of cash flow hedges		5,534	(1,632)	1,907	936
Income tax related to cash flow hedges		(1,327)	391	(457)	(225)
Other comprehensive income for the period, net of tax		4,697	(1,277)	1,133	565
Total comprehensive income for the period, net of tax		(16,045)	(3,589)	(17,425)	(7,859)
<b>Loss for the period attributable to:</b>					
Equity holders of the company		(17,768)	(1,875)	(17,218)	(7,568)
Non-controlling interests		(2,974)	(437)	(1,340)	(856)
		(20,742)	(2,312)	(18,558)	(8,424)
<b>Total comprehensive income for the period, net of tax attributable to:</b>					
Equity holders of the company		(13,177)	(3,144)	(16,016)	(6,971)
Non-controlling interests		(2,868)	(445)	(1,409)	(888)
		(16,045)	(3,589)	(17,425)	(7,859)
<b>Loss per share attributable to Equity holders of the company (sen per share):</b>					
Basic	A9	(5.60)	(0.59)	(5.43)	(2.39)
Diluted	A9	(5.60)	(0.59)	(5.43)	(2.39)

*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 2020**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	30.06.2020 RM'000	31.12.2019 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A10	265,014	273,226
Intangible assets		2,510	2,510
Deferred tax assets		30,878	30,666
Concession financial assets	A11	105,864	99,863
Trade receivables		27,819	29,297
		<u>432,085</u>	<u>435,562</u>
<b>Current assets</b>			
Inventories		138,775	140,654
Trade and other receivables		275,943	255,083
Other current assets		3,369	6,287
Contract assets		-	1,965
Tax recoverable		5,599	4,683
Derivative assets		394	-
Cash and bank balances	A13	45,703	90,130
		<u>469,783</u>	<u>498,802</u>
<b>TOTAL ASSETS</b>		<u>901,868</u>	<u>934,364</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Loans and borrowings	A14	432,627	445,831
Lease liabilities		706	3,002
Trade and other payables		204,158	193,172
Contract liabilities		15,822	24,654
Derivative liabilities	A12	-	1,513
Income tax payable		488	490
		<u>653,801</u>	<u>668,662</u>
<b>Net current liabilities</b>		<u>(184,018)</u>	<u>(169,860)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	A14	83,692	81,763
Lease liabilities		810	3,612
Trade payables		14,197	14,197
Deferred tax liabilities		9,282	8,619
		<u>107,981</u>	<u>108,191</u>
<b>Total liabilities</b>		<u>761,782</u>	<u>776,853</u>
<b>Net assets</b>		<u>140,086</u>	<u>157,511</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital		238,321	238,321
Reverse acquisition reserve		(37,300)	(37,300)
Foreign currency translation reserve		(1,036)	(787)
Hedge reserve		299	(1,151)
Accumulated losses		(56,675)	(39,457)
		<u>143,609</u>	<u>159,626</u>
Non-controlling interests		(3,523)	(2,115)
<b>Total equity</b>		<u>140,086</u>	<u>157,511</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>901,868</u>	<u>934,364</u>
Net assets per share attributable to owners of the Company (sen)		44	50

*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 2020**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Total Equity	Attributable to equity holders of the Company						Non-controlling interests
		Total equity attributable to equity holders of the Company, total	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 2020**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Total Equity	Attributable to equity holders of the Company						Non-controlling interests
		Total equity attributable to equity holders of the Company, total	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 2020	157,511	159,626	238,321	(37,300)	(787)	(1,151)	(39,457)	(2,115)
Loss for the period	(18,558)	(17,218)	-	-	-	-	(17,218)	(1,340)
Other comprehensive income	1,133	1,201	-	-	(249)	1,450	-	(68)
Total comprehensive income	(17,425)	(16,017)	-	-	(249)	1,450	(17,218)	(1,408)
At 30 June 2020	140,086	143,609	238,321	(37,300)	(1,036)	299	(56,675)	(3,523)

*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 2020**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	No te	Current period to date 30.06.2020 RM'000	Preceding year corresponding period 30.06.2019 RM'000
<b>Operating activities</b>			
Loss before tax		(17,127)	(5,168)
Adjustments for:			
Bad debts written off	A7	-	119
Depreciation of property, plant and equipment	A7	8,668	10,848
Finance income from concession financial assets	A7	(2,596)	(1,226)
(Gain)/ loss on disposal of property, plant and equipment	A7	(135)	508
Interest expense	A7	9,450	13,029
Interest income	A7	(468)	(1,146)
Inventories written down	A7	-	8
Reversal of allowance for impairment loss of trade receivables, net	A7	-	(77)
Unrealised loss on foreign exchange	A7	1,659	1,368
Operating cash flows before working capital changes		<u>(549)</u>	<u>18,263</u>
Changes in working capital:			
Decrease/ (increase) in inventories		1,880	(9,630)
Increase in trade and other receivables		(21,442)	(65,809)
Increase in concessions financial assets		(1,611)	(2,834)
Decrease/ (increase) in other current assets		39,361	(10,353)
(Decrease)/ increase in trade and other payables		(33,990)	26,51
Total changes in working capital		<u>(15,802)</u>	<u>(62,175)</u>
Cash used in operations		(16,351)	(43,912)
Interest paid		(9,450)	(13,029)
Real property gain tax paid		(525)	-
Tax paid, net of refund		(1,145)	(2,464)
Net cash flows used in operating activities		<u>(27,471)</u>	<u>(59,405)</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 30.06.2020 RM'000	Preceding year corresponding period 30.06.2019 RM'000
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		218	10,168
Purchase of property, plant and equipment		(531)	(4,899)
Interest received		468	1,146
Net cash generated from investing activities		<u>155</u>	<u>6,415</u>
<b>Financing activities</b>			
(Repayment)/drawdown from borrowings		(12,960)	34,450
Decrease in cash and bank balances pledged for bank borrowings		<u>2,011</u>	<u>12,731</u>
Net cash (used in)/ generated from financing activities		<u>(10,949)</u>	<u>47,181</u>
<b>Net decrease in cash and cash equivalents</b>			
Effect on exchange rate changes		(2,112)	(1,284)
Cash and cash equivalents at 1 January		<u>84,184</u>	<u>27,279</u>
<b>Cash and cash equivalents at 30 June</b>	A13	<u><u>43,807</u></u>	<u><u>20,186</u></u>

*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 2020**

**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 28 August 2020.

**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 2019.

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 2019, except for the adoption of new standards effective as at 1 January 2020:

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 7, *Financial Instruments: Disclosures*, MFRS 9, *Financial Instruments*, and MFRS 139, *Financial Instruments: Recognition and Measurement – Interest Rate Benchmark Reform*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

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**

The COVID-19 pandemic is disrupting business environments, dampening consumer and business sentiments, and dismantling supply chains and financial markets. To curb the spread of COVID-19 virus in Malaysia, the Movement Control Order (“MCO”) was implemented since 18 March 2020. The Group was impacted as operations were not allowed during the MCO as the nature of our business is considered non-essential activity which is prohibited to operate during the MCO period.

The MCO was eased into a Conditional MCO (“CMCO”) from 4 May 2020 to 9 June 2020 and on 7 June 2020, the Malaysian Government announced that CMCO will end on 9 June 2020 and Malaysia will ease into a Recovery MCO (“RMCO”) from 10 June 2020 until 31 August 2020.

Although operations have since re-commenced, but under strict Standard Operating Procedures, the Group is faced with disrupted operational efficiency and sub-optimal utilization of assets. Collectively, this has and will have an impact on the Group’s performance.

Except for the above, there was no other 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 cables and wires		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 2020 RM'000	30 Jun 2019 RM'000	30 Jun 2020 RM'000	30 Jun 2019 RM'000	30 Jun 2020 RM'000	30 Jun 2019 RM'000	30 Jun 2020 RM'000	30 Jun 2019 RM'000	30 Jun 2020 RM'000	30 Jun 2019 RM'000	30 Jun 2020 RM'000	30 Jun 2019 RM'000	30 Jun 2020 RM'000	30 Jun 2019 RM'000
<b>Revenue</b>														
External customers	247,841	330,409	5,164	8,599	6,674	41,754	3,688	8,003	263,367	388,765	-	-	263,367	388,765
Inter-segment	-	-	-	-	-	-	3,150	3,800	3,150	3,800	(3,150)	(3,800)	-	-
<b>Total revenue</b>	<b>247,841</b>	<b>330,409</b>	<b>5,164</b>	<b>8,599</b>	<b>6,674</b>	<b>41,754</b>	<b>6,838</b>	<b>11,803</b>	<b>266,517</b>	<b>392,565</b>	<b>(3,150)</b>	<b>(3,800)</b>	<b>263,367</b>	<b>388,765</b>
<b>Segment (loss)/profit</b>	<b>(4,129)</b>	<b>7,129</b>	<b>(1,927)</b>	<b>(617)</b>	<b>(445)</b>	<b>84</b>	<b>(10,625)</b>	<b>(11,764)</b>	<b>(17,127)</b>	<b>(5,168)</b>	<b>-</b>	<b>-</b>	<b>(17,127)</b>	<b>(5,168)</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 cables 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 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 cables and wires**

The sales of cables and wires segment contributed 94.1% (30 June 2018: 85.0%) of the total revenue of the Group for the period ended 30 June 2020 and is the main contributor to the Group’s operating profit in 2020.

The segment recorded a revenue and loss before tax of RM247.8 million and RM4.1 million respectively for the period ended 30 June 2020 as compared to revenue and profit before tax of RM330.4 million and RM7.1 million respectively in the corresponding period ended 30 June 2019. Performance has dropped as a result of the interruptions to operations during the various control orders. Market demand for products under this segment has been challenging during this period.

**Sales of galvanised products and steel structures**

The sales of galvanised products and steel structures segment contributed 2.0% (30 June 2019: 2.2%) 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 RM1.9 million when compared with corresponding period ended 30 June 2019 loss before tax of RM0.6 million. Market demand for products under this segment has been relatively weak.



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

**Transmission lines construction**

The transmission line construction segment contributed 2.5% (30 June 2019: 10.7%) of the total revenue of the Group for the period ended 30 June 2019.

The segment recorded a revenue and loss before tax of RM6.7 million and RM0.4 million respectively for the financial period ended 30 June 2020 as compared to revenue of RM41.8 million and profit before tax of RM84,000 respectively for the corresponding period in 2019. The construction was also affected due to the control orders in Malaysia and consent was obtained to continue during the period of RMCO.

The Group 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.

**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 2020, power generation, helicopter services and corporate segment contributed RM6.8 million to the total revenue of the Group.

The construction of hydro dam in Medan Indonesia is near completion, however, work was interrupted as Indonesia is observing a lockdown in view of the pandemic. We have obtained consent to resume work partially and based on the revised timeline, the hydro dam is expected to be commissioned by end of October 2020.

The hydro dam itself is already completed. We are now in the process of completing the overhead lines which will ultimately connect the hydro dam to the Indonesian Government-owned corporation, Perusahaan Listrik Negara (“PLN”) sub-station. The overhead lines are progressing well, however, due to the travel restrictions as a result of the lockdown, we have had to defer some works until the Indonesian authorities liberalize their travel restrictions.

In any event, the company has taken preemptive measures by engaging with our foreign consultants, Flovel to proceed with preparations for testing and commissioning via video conferencing.

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 RM2.9 million. This finance cost represents loan taken to finance construction of the hydro dam.

The Group also recognised an unrealized foreign exchange loss of approximately RM1.6 million upon translation from Indonesia Rupiah to Ringgit Malaysia.



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

**Consolidated loss before tax**

The Group recorded a loss before tax of RM17.1 million (30 June 2019: loss before tax of RM5.2 million) for the period ended 30 June 2020, principally due to interruptions to operations as a result of the MCO.

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:**

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
	<b>June</b>	<b>June</b>	<b>June</b>	<b>June</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bad debts written off	-	119	-	119
Depreciation of property, plant and equipment	4,411	5,525	8,668	10,848
Finance income from concession financial assets	(1,227)	(1,226)	(2,596)	(1,226)
Loss/ (gain) on disposal of property, plant and equipment	17	823	(135)	508
Interest expense	4,353	6,829	9,450	13,029
Interest income	352	(1,089)	(468)	(1,146)
Inventories written down	-	8	-	8
Reversal of allowance for impairment loss of trade receivables, net	-	(73)	-	(77)
Unrealised loss on foreign exchange	11,570	1,267	1,659	1,368

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**A8. Income tax expense**

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Current income tax:				
Based on results for the year	810	2,143	1,459	3,192
Over provision of deferred tax in respect of previous period	-	-	-	-
Deferred income tax	(46)	146	(46)	64
	<u>764</u>	<u>2,289</u>	<u>1,413</u>	<u>3,256</u>

The effective tax rate for the current quarter and financial period ended 30 June 2020 and 30 June 2019 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.

**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 2020	30 June 2019	30 June 2020	30 June 2019
Loss net of tax attributable to equity holders The Company (RM'000)	(17,684)	(1,875)	(17,218)	(7,568)
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>(5.60)</u>	<u>(0.59)</u>	<u>(5.43)</u>	<u>(2.39)</u>
Diluted loss per share (sen per ordinary share)	<u>(5.60)</u>	<u>(0.59)</u>	<u>(5.40)</u>	<u>(2.39)</u>



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**A10. Property, plant and equipment**

During the period ended 30 June 2020, the Group acquired assets at the cost of RM0.5 million (30 June 2019: RM4.9 million).

**A11. Concession financial assets**

	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
At 1 January	99,863	92,671
Concession construction revenue	1,611	4,612
Accrued financial income	2,596	5,158
Exchange difference	1,794	2,322
Impairment	-	(4,900)
At 30 June 2020/31 December 2019	105,864	99,863

**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:

	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Derivative assets	394	-
Derivative liabilities	-	1,513

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:

	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Cash in hand and at banks	41,316	86,634
Deposits with licensed banks	4,387	3,496
<b>Cash and bank balances</b>	<b>45,703</b>	<b>90,130</b>



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

**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:

	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Cash and bank balances	45,703	90,130
Less: Bank overdrafts	-	(2,039)
Cash restricted for repayment	-	(2,034)
Deposits pledged	(1,896)	(1,873)
<b>Cash and cash equivalents</b>	<u>43,807</u>	<u>84,184</u>

**A14. Loans and borrowings**

	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>Current</b>		
Secured	53,165	46,689
Unsecured	379,462	398,962
	<u>432,627</u>	<u>455,831</u>
<b>Non-current</b>		
Secured	82,484	81,763
Unsecured	1,208	-
	<u>83,692</u>	<u>81,763</u>
	<u>516,319</u>	<u>537,594</u>

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

	<b>30 June 2020 USD'000</b>	<b>31 December 2019 USD'000</b>
USD term loan	<u>6,131</u>	<u>6,882</u>

**A15. Dividend paid**

No dividend had been paid for the period ended 30 June 2020.

**A16. Commitments**

	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	324	181
Approved but not contracted for:		
Property, plant and equipment	9,455	3,687
	<u>9,779</u>	<u>3,868</u>



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2020**

**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 2020 and 30 June 2019 as well as the balances with the related parties as at 30 June 2020 and 31 December 2019.

		Sales to related parties RM'000	June Purchases from related parties RM'000	Amounts owed by related parties RM'000	June/December Amounts owed to related parties RM'000
Transactions with subsidiaries of Sarawak Energy Berhad:					
Syarikat	2020	8,701	-	5,715	-
SESCO	2019	3,337	-	2,499	-
Berhad					
Transactions with subsidiaries of Hng Capital Sdn Bhd:					
Alpha	2020	477	74,112	-	14,300
Industries	2019	1,975	60,879	-	20,438
Sdn. Bhd.					
Leader	2020	-	184	-	-
Universal	2019	-	2,968	-	625
Aluminium Sdn. Bhd.					



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**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 2020 is higher than the immediate preceding quarter mainly due to interruptions to operations as a result of the various control orders in Malaysia. Although the cables and wires segment obtained consent to operate partially during the CMCO, the other business segments which are considered non-essential activities were only allowed to operate during the RMCO period.

**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**

(a) Status of utilisation of proceeds from Proposal Disposal

The gross proceeds from the Proposed Disposal of RM 65.0 million have been/shall be utilised in the following manner:

	Purpose	Proposed utilisation	Actual utilisation	Deviation	Balance	Estimated timeframe for utilisation from date of listing	Explanation	
		RM'000	RM'000	RM'000	RM'000			
(i)	Working capital requirements	60,000	(45,424)	786	15,362	Within months	12	RM45.4 million was utilised.
(ii)	Estimated expenses	5,000	(4,214)	(786)	-	Within month	1	Reallocated to Working Capital requirements under (i) as expenses incurred for the Proposal Disposal has been fully settled.
		<u>65,000</u>	<u>(49,638)</u>	<u>-</u>	<u>15,362</u>			





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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2020**

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

#### **B7. Corporate proposals (cont'd.)**

- (b) The Company had received a letter dated 7 August 2019 issued by the Corporate Debt Restructuring Committee ("CDRC") under the purview of Bank Negara, approving the Company's application for assistance to mediate between the Company and certain of its subsidiaries (collectively, the "Affected Companies") with its respective financiers ("the Lenders").

This is part of the Company's proactive effort in managing its debt exposure to safeguard the Affected Companies, whose core businesses are still viable.

The Standstill Letter was issued by CDRC to the Lenders on 7 August 2019.

Notwithstanding the above, the operations of the Affected Companies shall remain as usual.

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

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

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

No dividend was payable for the period ended 30 June 2020.

#### **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 2020 and 31 December 2019 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 2019 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 28 August 2020.