



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

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019**

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

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31.03.2019 RM'000	31.03.2018 RM'000	31.03.2019 RM'000	31.03.2018 RM'000
Revenue		181,763	178,816	181,763	178,816
Cost of sales		(171,568)	(157,639)	(171,568)	(157,639)
Gross profit		10,195	21,177	10,195	21,177
Other operating income		2,297	886	2,297	886
Administrative expenses		(6,751)	(7,200)	(6,751)	(7,200)
Other operating expenses		(4,686)	(7,125)	(4,686)	(7,125)
Operating profit		1,055	7,738	1,055	7,738
Finance costs		(6,200)	(6,547)	(6,200)	(6,547)
(Loss)/ profit before tax	A7	(5,145)	1,191	(5,145)	1,191
Income tax expense	A8	(967)	(2,817)	(967)	(2,817)
Loss for the period		(6,112)	(1,626)	(6,112)	(1,626)
Other comprehensive income					
Exchange differences on translation of foreign operation		(110)	(298)	(110)	(298)
Net movement of cash flow hedges		2,568	(2112)	2,568	(2,112)
Income tax related to cash flow hedges		(616)	507	(616)	507
Other comprehensive income for the period, net of tax		1,842	(1,903)	1,842	(1,903)
Total comprehensive income for the period, net of tax		(4,270)	(3,529)	(4,270)	(3,529)
<b>Loss for the period attributable to:</b>					
Equity holders of the company		(5,693)	(684)	(5,693)	(684)
Non-controlling interests		(419)	(942)	(419)	(942)
		(6,112)	(1,626)	(6,112)	(1,626)
<b>Total comprehensive income for the period, net of tax attributable to:</b>					
Equity holders of the company		(3,827)	(2,522)	(3,827)	(2,522)
Non-controlling interests		(443)	(1,007)	(443)	(1,007)
		(4,270)	(3,529)	(4,270)	(3,529)
<b>Loss per share attributable to Equity holders of the company (sen per share):</b>					
Basic	A9	(1.80)	(0.22)	(1.80)	(0.22)
Diluted	A9	(1.80)	(0.22)	(1.80)	(0.22)

*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 MARCH 2019**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	31.03.2019 RM'000	31.12.2018 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A10	421,521	424,410
Intangible assets		2,510	2,510
Deferred tax assets		36,823	36,932
Concession financial assets	A11	95,063	92,671
Trade receivables		36,387	39,234
		<u>592,304</u>	<u>595,757</u>
<b>Current assets</b>			
Inventories		130,639	123,421
Trade and other receivables		264,245	197,443
Other current assets		18,416	8,206
Contract assets		3,329	2,954
Tax recoverable		9,110	9,295
Cash and bank balances	A13	36,422	47,859
		<u>462,161</u>	<u>389,178</u>
Assets held for sale		2,191	2,191
		<u>464,352</u>	<u>391,369</u>
<b>TOTAL ASSETS</b>		<u>1,056,656</u>	<u>987,126</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Loans and borrowings	A14	479,629	455,605
Finance lease payables		2,788	2,825
Trade and other payables		148,564	103,887
Contract liabilities		26,042	8,462
Derivatives liabilities	A12	1,745	4,314
Income tax payable		704	1,016
		<u>659,472</u>	<u>576,109</u>
<b>Net current liabilities</b>		<u>(195,120)</u>	<u>(184,740)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	A14	111,133	120,194
Finance lease payable		15,950	16,874
Trade payables		15,404	15,401
Deferred tax liabilities		16,837	16,418
		<u>159,324</u>	<u>168,887</u>
<b>Total liabilities</b>		<u>818,796</u>	<u>744,996</u>
<b>Net assets</b>		<u>237,860</u>	<u>242,130</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		(786)	(700)
Hedge reserve		(1,327)	(3,279)
Revenue reserves		40,386	46,079
		<u>239,294</u>	<u>243,121</u>
Non-controlling interests		(1,434)	(991)
<b>Total equity</b>		<u>237,860</u>	<u>242,130</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,056,656</u>	<u>987,126</u>
Net assets per share attributable to owners of the Company (sen)		75	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 31 MARCH 2019**

**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 2018	285,206	284,813	238,321	(37,300)	(529)	723	83,598	393
Loss for the period	(1,626)	(684)	-	-	-	-	(684)	(942)
Other comprehensive income	(1,903)	(1,839)	-	-	(234)	(1,605)	-	(64)
Total comprehensive income	(3,529)	(2,523)	-	-	(234)	(1,605)	(684)	(1,006)
At 31 March 2018	281,677	282,290	238,321	(37,300)	(763)	(882)	82,914	(613)

*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 MARCH 2019**  
**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	Non-distributable			Distributable		
	RM'000	RM'000	Share capital RM'000	Reverse acquisition reserve RM'000	Foreign currency translation reserves RM'000	Hedge reserve RM'000	Revenue reserves 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	(6,112)	(5,693)	-	-	-	-	(5,693)	(419)
Other comprehensive income	1,842	1,866	-	-	(86)	1,952	-	(24)
Total comprehensive income	(4,270)	(3,827)	-	-	(86)	1,952	(5,693)	(443)
At 31 March 2019	237,860	239,294	238,321	(37,300)	(786)	(1,327)	40,386	(1,434)

*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 MARCH 2019**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	Current period to date <b>31.03.2019</b> RM'000	Preceding year corresponding period <b>31.03.2018</b> RM'000
<b>Operating activities</b>			
(Loss)/ profit before tax		(5,145)	1,191
Adjustments for:			
Bad debts written off	A7	-	50
Depreciation of property, plant and equipment	A7	5,323	5,501
Gain on disposal of property, plant and equipment	A7	(315)	-
Interest expense	A7	6,200	6,547
Interest income	A7	(57)	(62)
Inventories written down	A7	-	5
Property, plant and equipment written off	A7	-	(6)
Reversal of allowance for impairment loss of trade receivables, net	A7	(4)	-
Unrealised loss on foreign exchange	A7	101	2,952
Operating cash flows before working capital changes		<u>6,103</u>	<u>16,178</u>
Changes in working capital:			
(Increase)/ decrease in inventories		(7,218)	14,850
(Increase)/ decrease in trade and other receivables		(63,952)	12,874
Decrease in other current assets		6,995	14,755
Increase/ (decrease) in trade and other payables		45,613	(18,385)
Increase in derivative liabilities		-	510
Increase in concessions financial assets		(1,504)	(1,318)
Total changes in working capital		<u>(20,066)</u>	<u>23,286</u>
Cash (used in)/ generated from operations		(13,963)	39,464
Interest paid		(6,200)	(6,547)
Tax paid, net of refund		(1,180)	(1,441)
Net cash flows (used in)/ generated from operating activities		<u>(21,343)</u>	<u>31,476</u>



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)**

	Note	Current period to date 31.03.2019 RM'000	Preceding year corresponding period 31.03.2018 RM'000
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		519	-
Purchase of property, plant and equipment		(3,662)	(1,058)
Interest received		57	62
Net cash used in investing activities		(3,086)	(996)
<b>Financing activities</b>			
Drawdown/ (repayment) from borrowings		15,458	(29,290)
Decrease in cash and bank balances pledged for bank borrowings		3,906	1,776
Net cash generated from/ (used in) financing activities		19,364	(27,514)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		(5,065)	2,966
Effect on exchange rate changes		(1,098)	2,961
Cash and cash equivalents at 1 January		27,279	17,678
<b>Cash and cash equivalents at 31 March</b>	A13	21,116	23,605

*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 MARCH 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 28 May 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	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>														
External customers	163,467	155,106	3,600	5,986	10,512	14,120	4,184	3,604	181,763	178,816	-	-	181,763	178,816
Inter-segment	-	-	-	-	-	-	1,900	980	1,900	980	(1,900)	(980)	-	-
<b>Total revenue</b>	<b>163,467</b>	<b>155,106</b>	<b>3,600</b>	<b>5,986</b>	<b>10,512</b>	<b>14,120</b>	<b>6,084</b>	<b>4,584</b>	<b>183,663</b>	<b>179,796</b>	<b>(1,900)</b>	<b>(980)</b>	<b>181,763</b>	<b>178,816</b>
<b>Segment profit/(loss)</b>	<b>1,153</b>	<b>8,601</b>	<b>(963)</b>	<b>474</b>	<b>(868)</b>	<b>(87)</b>	<b>(4,467)</b>	<b>(7,797)</b>	<b>(5,145)</b>	<b>1,191</b>	<b>-</b>	<b>-</b>	<b>(5,145)</b>	<b>1,191</b>

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**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 89.9% (31 March 2018: 86.7%) of the total revenue of the Group for the period ended 31 March 2019 and is the main contributor to the Group’s operating profit in 2019.

The segment recorded a revenue and profit before tax of RM163.5 million and RM1.2 million respectively for the period ended 31 March 2019 as compared to revenue and profit before tax of RM155.1 million and RM8.6 million respectively in the corresponding period ended 31 March 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 quarter 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 2.0% (31 March 2018: 3.4%) of the total revenue of the Group for the period ended 31 March 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 RM1.0 million when compared with corresponding period ended 31 March 2018 profit before tax of RM0.5 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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**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 5.8% (31 March 2018: 7.9%) of the total revenue of the Group for the period ended 31 March 2019.

The segment recorded a revenue and loss before tax of RM10.5 million and RM0.9 million respectively for the financial period ended 31 March 2019 as compared to revenue of RM14.1 million and loss before tax of RM0.1 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 31 March 2019, power generation, helicopter services and corporate segment contributed RM4.2 million to the total revenue of the Group.

The hydro dam in Medan Indonesia is in the final stage of completion and is expected to be commissioned and shall commence 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 RM1.1 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 RM0.4 million upon translation from Indonesia Rupiah to Ringgit Malaysia.

Currently, all but two (2) units of helicopters 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 profit before tax**

The Group recorded a loss before tax of RM5.1 million (31 March 2018: profit before tax of RM1.2 million) for the period ended 31 March 2019, principally due to losses incurred in transmission lines construction segment, power generation and aviation segment. The Group records a solid EBITA at RM6.4 million for the period ended 31 March 2019.

The other factors which had affected the current quarter’s profit 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 profit before tax:**

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Bad debts written off	-	50	-	50
Depreciation of property, plant and equipment	5,323	5,501	5,323	5,501
Gain on disposal of property, plant and equipment	(315)	(6)	(315)	(6)
Interest expense	6,200	6,547	6,200	6,547
Interest income	(57)	(62)	(57)	(62)
Inventories written down	-	5	-	5
Reversal of allowance for impairment loss of trade receivables, net	(4)	-	(4)	-
Unrealised loss on foreign exchange	101	2,952	101	2,952

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**A8. Income tax expense**

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Current income tax:				
Based on results for the year	1,049	1,694	1,049	1,694
Over provision of deferred tax in respect of previous period	-	(87)	-	(87)
Deferred income tax	(82)	1,210	(82)	1,210
	<u>967</u>	<u>2,817</u>	<u>967</u>	<u>2,817</u>

The effective tax rate for the current quarter and previous quarter ended 31 March 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	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Loss net of tax attributable to equity holders The Company (RM'000)	(5,693)	(684)	(5,693)	(684)
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>(1.80)</u>	<u>(0.22)</u>	<u>(1.80)</u>	<u>(0.22)</u>
Diluted loss per share (sen per ordinary share)	<u>(1.80)</u>	<u>(0.22)</u>	<u>(1.80)</u>	<u>(0.22)</u>



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**A10. Property, plant and equipment**

During the period ended 31 March 2019, the Group acquired assets at the cost of RM3.7 million (31 March 2018: RM1. million).

**A11. Concession financial assets**

	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
At 1 January	92,671	85,990
Concession construction revenue	1,504	4,987
Accrued financial income	1,222	4,435
Exchange difference	(334)	(2,741)
At 31 March 2019/31 December 2018	<u>95,063</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:

	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Derivatives assets	-	-
Derivatives liabilities	<u>1,745</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:

	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Cash in hand and at banks	21,717	25,760
Deposits with licensed banks	<u>14,705</u>	<u>22,099</u>
<b>Cash and bank balances</b>	<u>36,422</u>	<u>47,859</u>



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2019**

**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>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Cash and bank balances	36,422	47,859
Less: Bank overdrafts	(601)	(1,969)
Cash restricted for repayment	(1,604)	(4,007)
Deposits pledged	(13,101)	(14,604)
<b>Cash and cash equivalents</b>	<u>21,116</u>	<u>27,279</u>

**A14. Loans and borrowings**

	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
<b>Current</b>		
Secured	70,162	61,213
Unsecured	409,467	394,392
	<u>479,629</u>	<u>455,605</u>
<b>Non-current</b>		
Secured	109,330	117,494
Unsecured	1,803	2,700
	<u>111,133</u>	<u>120,194</u>
	<u>590,762</u>	<u>575,799</u>

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

	<b>31 March 2019 USD'000</b>	<b>31 December 2018 USD'000</b>
USD term loan	<u>10,526</u>	<u>7,589</u>

**A15. Dividend paid**

No dividend had been paid for the period ended 31 March 2019.

**A16. Commitments**

	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	1,502	632
Approved but not contracted for:		
Property, plant and equipment	<u>7,715</u>	<u>6,888</u>
	<u>9,217</u>	<u>7,520</u>



**SARAWAK CABLE BERHAD**  
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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 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 31 March 2019 and 31 March 2018 as well as the balances with the related parties as at 31 March 2019 and 31 December 2018.

		Sales to related parties RM'000	March Purchases from related parties RM'000	March/December Amounts owed by related parties RM'000	March/December Amounts owed to related parties RM'000
Transactions with subsidiaries of Sarawak Energy Berhad:					
Syarikat	2019	2,215	-	1,649	-
SESCO Berhad	2018	9,937	-	1,967	-
Transactions with subsidiaries of Hng Capital Sdn Bhd:					
Alpha Industries Sdn. Bhd.	2019	546	31,145	-	11,470
	2018	2,387	40,164	-	8,513
Leader Aluminium Sdn. Bhd.	2019	-	-	-	-
	2018	240	7,376	-	-



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 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 31 March 2019 is less than the immediate preceding quarter mainly due to additional cost incurred in the transmission lines construction segment to complete a project as well as losses incurred in power generation and aviation segment as the hydro dam is currently under construction and the Group has been aggressively seeking to lease out the balance of its two (2) units of helicopters.

**B5. Commentary on prospects**

The Group anticipates improving performance in the coming quarters, barring any unforeseen economic 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 31 MARCH 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 31 March 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 31 March 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 28 May 2019.

By order of the Board

Teoh Wen Jinq  
Company Secretary  
28 May 2019