



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

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2022**

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

	Note	Current quarter 2 months ended		Cumulative quarter 17 months ended	
		31.05.2022 RM'000	31.05.2020 RM'000	31.05.2022 RM'000	31.05.2020 RM'000
Revenue		60,702	N/A	815,863	N/A
Cost of sales		(69,628)	N/A	(795,910)	N/A
Gross profit		(8,926)	N/A	19,953	N/A
Other operating income		1,013	N/A	10,249	N/A
Administrative expenses		(7,083)	N/A	(37,096)	N/A
Other operating expenses		(991)	N/A	(27,281)	N/A
Operating loss		(15,987)	N/A	(34,175)	N/A
Finance costs		4,541	N/A	(17,711)	N/A
Loss before tax from continuing operations	A8	(11,446)	N/A	(51,886)	N/A
Income tax expense	A9	(20,115)	N/A	(14,811)	N/A
Loss for the period from continuing operations		(31,561)	N/A	(66,697)	N/A
Loss after tax for the period from discontinued operations	A7	(59,730)	N/A	(59,730)	N/A
Loss for the period		(91,291)	N/A	(126,427)	N/A
Other comprehensive loss					
Exchange differences on translation of foreign operation		212	N/A	(2,055)	N/A
Net movement of cash flow hedges		(2,334)	N/A	(1,028)	N/A
Income tax related to cash flow hedges		560	N/A	247	N/A
Other comprehensive loss for the period, net of tax		(1,562)	N/A	(2,836)	N/A
Total comprehensive loss for the period, net of tax		(92,853)	N/A	(129,263)	N/A
<b>Loss for the period attributable to:</b>					
Equity holders of the company		(90,122)	N/A	(124,671)	N/A
Non-controlling interests		(1,169)	N/A	(1,756)	N/A
		(91,291)	N/A	(126,427)	N/A
<b>Total comprehensive loss for the period, net of tax attributable to:</b>					
Equity holders of the company		(91,608)	N/A	(126,939)	N/A
Non-controlling interests		(1,245)	N/A	(2,324)	N/A
		(92,853)	N/A	(129,263)	N/A
<b>Loss per share attributable to Equity holders of the company (sen per share):</b>					
Basic	A10	(24.45)	N/A	(33.82)	N/A
Diluted	A10	(24.45)	N/A	(33.82)	N/A

*Notes:*

(i) The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020 and the accompanying notes to the quarter report attached hereto.

(ii) The financial year end has been changed from 31 December to 31 May. The next audited financial statements shall be for a period of seventeen (17) months from 1 January 2021 to 31 May 2022 and thereafter, the financial year end shall be 31 May for each subsequent year.

(iii) In addition, there is no comparative figures available for the preceding year corresponding period ended 31 May 2020.



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MAY 2022**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	31.05.2022 RM'000	31.12.2020 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A11	216,454	258,074
Intangible assets		-	2,510
Deferred tax assets		19,635	36,508
Concession financial assets	A12	-	99,045
Trade receivables		19,544	20,512
		<u>255,633</u>	<u>416,649</u>
<b>Current assets</b>			
Inventories		117,969	98,685
Trade and other receivables		142,323	171,643
Other current assets		7,533	11,702
Contract assets		4,867	3
Tax recoverable		12,445	8,188
Cash and bank balances	A13	18,416	42,500
		<u>303,553</u>	<u>332,721</u>
Assets held for sale	A7	99,025	-
		<u>402,578</u>	<u>332,721</u>
<b>TOTAL ASSETS</b>		<u>658,211</u>	<u>749,370</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Loans and borrowings	A14	406,153	395,807
Trade and other payables		122,508	114,222
Contract liabilities		7,011	15,956
Income tax payable		-	567
Derivative liabilities		1,028	-
		<u>536,700</u>	<u>526,552</u>
Liabilities directly associated with asset held for sale	A7	37,961	-
		<u>574,661</u>	<u>526,552</u>
<b>Net current liabilities</b>		<u>(172,083)</u>	<u>(193,831)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	A14	39,330	72,681
Trade payables		6,535	6,542
Deferred tax liabilities		6,243	11,214
		<u>52,108</u>	<u>90,437</u>
<b>Total liabilities</b>		<u>626,769</u>	<u>616,989</u>
<b>Net assets</b>		<u>31,442</u>	<u>132,381</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital		267,215	238,321
Reverse acquisition reserve		(37,300)	(37,300)
Foreign currency translation reserve		(2,749)	(695)
Hedge reserve		(781)	-
Accumulated losses		(137,158)	(64,512)
Reserves of asset held for sale	A7	(52,025)	-
		<u>37,202</u>	<u>135,814</u>
Non-controlling interests		(5,760)	(3,433)
<b>Total equity</b>		<u>31,442</u>	<u>132,381</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>658,211</u>	<u>749,370</u>
Net assets per share attributable to owners of the Company (sen)		9	42

**Notes:**

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2022**

**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 2020	157,511	159,626	238,321	(37,300)	(787)	(1,151)	(39,457)	(2,115)
Loss for the period	(26,447)	(25,172)	-	-	-	-	(25,172)	(1,275)
Other comprehensive income	1,272	1,243	-	-	92	1,151	-	29
Total comprehensive income	(25,175)	(23,929)	-	-	92	-	(25,172)	(1,246)
Transactions with owners	45	117	-	-	-	-	117	(72)
At 31 December 2020	132,381	135,814	238,321	(37,300)	(695)	-	(64,512)	(3,433)

*Notes:*

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2022**

**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						Reserve of disposal group held for sale	Non-controlling interests
			Share capital	Reverse acquisition reserve	Foreign currency translation reserves	Hedge reserve	Revenue reserves/ (Accumulated loss)	Distributable		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2021	132,381	135,814	238,321	(37,300)	(695)	-	(64,512)	-	(3,433)	
Loss for the period	(126,427)	(72,646)	-	-	-	-	(72,646)	(52,025)	(1,756)	
Other comprehensive income	(3,406)	(2,835)	-	-	(2,054)	(781)	-	-	(571)	
Total comprehensive income	(129,833)	(75,481)	-	-	(2,054)	(781)	(72,646)	(52,025)	(2,327)	
Issuance of share capital	30,220	30,220	30,220	-	-	-	-	-	-	
Share capital expenses	(1,326)	(1,326)	(1,326)	-	-	-	-	-	-	
At 31 May 2022	31,442	37,202	267,215	(37,300)	(2,749)	(781)	(137,158)	(52,025)	(5,760)	

*Notes:*

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD**  
**ENDED 31 MAY 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	31.05.2022 Unaudited RM'000	31.12.2020 Audited RM'000
<b>Operating activities</b>			
Loss before tax from continuing operations		(51,886)	(26,454)
Loss before tax from discontinued operation		(59,730)	-
Loss before tax		<u>(111,616)</u>	<u>(26,454)</u>
Adjustments for:			
Allowance for impairment loss on:			
- Trade receivables		-	2,364
- Other receivables		-	123
Bad debts written off	A8	1,918	-
Depreciation of property, plant and equipment	A8	20,065	17,620
Finance income from concessions financial assets		-	(5,308)
Gain on debt modification		-	(1,271)
Gain on disposal of property, plant and equipment	A8	(148)	(9)
Impairment of concessions financial assets		-	5,621
Interest income	A8	(10,632)	(686)
Interest expense	A8	17,711	21,809
Inventories written off	A8	263	434
Loss on asset held for sale	A8	46,732	-
Property, plant and equipment written off		-	302
Reversal of allowance for impairment loss of trade receivables		-	(496)
Unrealised gain on foreign exchange, net	A8	98	(1,763)
Operating cash flows before working capital changes		<u>(35,609)</u>	<u>12,463</u>
Changes in working capital:			
(Increase)/decrease in inventories		(19,547)	41,534
(Decrease)/increase in trade and other receivables		(16,749)	90,888
Increase in concessions financial assets		-	(2,511)
Increase in other current assets		(9,582)	(12,027)
Increase in assets held for sale		37,961	-
Increase/(decrease) in trade and other payables		8,181	(81,776)
Total changes in working capital		<u>264</u>	<u>36,108</u>
Cash flows generated from operations		(35,345)	48,571
Interest paid		(17,711)	(21,809)
Tax paid, net of refund		(6,062)	(7,021)
Net cash flows used in operating activities		<u>(59,118)</u>	<u>(19,741)</u>

*Notes:*

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2022**

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

	Note	31.05.2022 Unaudited RM'000	31.12.2020 Audited RM'000
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		5,152	1,351
Purchase of property, plant and equipment		(8,527)	(4,236)
Interest received		10,632	686
Net cash used in investing activities		<u>7,257</u>	<u>(2,199)</u>
<b>Financing activities</b>			
Repayment for borrowings		(1,119)	(61,962)
Repayment of lease liabilities		-	(3,121)
Issuance of share capital		30,220	-
Share capital expenses		(1,326)	-
Increase/(decrease) in cash and bank balances pledged for bank borrowings		3,135	(1,627)
Net cash generated from/(used in) financing activities		<u>30,910</u>	<u>(66,710)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(20,951)</b>	<b>(49,168)</b>
Effect on exchange rate changes		-	(48)
Cash and cash equivalents at 1 January		34,968	84,184
<b>Cash and cash equivalents at 31 May 2022/ 31 December 2020</b>	A14	<u><u>14,017</u></u>	<u><u>34,968</u></u>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2022**

**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 29 July 2022.

**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 2020.

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 2020, except for the adoption of new standards effective as at 1 January 2021:

- Amendments to MFRS 16, *Covid-19 Related Rent Concessions*
- Amendments to MFRS 7, *Financial Instruments: Disclosures*
- MFRS 9, *Financial Instruments*
- MFRS 139, *Financial Instruments: Recognition and Measurement*
- MFRS 4, *Extension of the Temporary Exemption from Applying MFRS 9*
- MFRS 16, *Leases– Interest Rate Benchmark Reform – Phase 2*

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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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2022**

**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	
	31 May 2022	31 May 2020	31 May 2022	31 Mar 2020	31 May 2022	31 May 2020	31 May 2022	31 May 2020	31 May 2022	31 May 2020	31 May 2022	31 May 2020	31 May 2022	31 May 2020
	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	728,224	N/A	29,613	N/A	54,053	N/A	3,973	N/A	815,863	N/A	-	-	815,863	N/A
Inter-segment	-	-	-	-	-	-	25,598	N/A	25,598	N/A	(25,598)	N/A	-	-
<b>Total revenue</b>	<b>728,224</b>	<b>N/A</b>	<b>29,613</b>	<b>N/A</b>	<b>54,053</b>	<b>N/A</b>	<b>29,571</b>	<b>N/A</b>	<b>821,461</b>	<b>N/A</b>	<b>(25,598)</b>	<b>N/A</b>	<b>815,863</b>	<b>N/A</b>
<b>Segment (loss)/profit</b>	<b>(36,990)</b>	<b>N/A</b>	<b>(3,422)</b>	<b>N/A</b>	<b>5,585</b>	<b>N/A</b>	<b>(17,059)</b>	<b>N/A</b>	<b>(51,886)</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>(51,886)</b>	<b>N/A</b>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2022**

**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. The power generation segment has been classified as discontinued operation under Note A7.

**Sales of cables and wires**

The sales of cables and wires segment contributed 89.3% of the total revenue of the Group for the period ended 31 May 2022 and is the main contributor to the Group’s operating profit in 2022.

The segment recorded a revenue and loss before tax of RM728.2 million and RM37.0 million respectively for the period ended 31 May 2022.

Market demand for products under this segment remain challenging but has shown improvement in consideration that all economic sectors in Malaysia were reopened in April 2022.

The Group continues to explore opportunity to increase its markets share locally and overseas.

**Sales of galvanised products and steel structures**

The sales of galvanised products and steel structures segment contributed 3.6% of the total revenue of the Group for the period ended 31 May 2022 .

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 RM3.4 million for period ended 31 May 2022. Market demand for products under this segment has started to pick up in consideration that all economic sectors in Malaysia were reopened in April 2022.

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 6.6% of the total revenue of the Group for the period ended 31 May 2022.

The segment recorded a revenue and profit before tax of RM54.1 million and RM5.6 million respectively for the financial period ended 31 May 2022 mainly due to reversal of provision for damages upon completion of a completed project.

The Group anticipates increase contribution from this segment in view that all movement restrictions were fully lifted in April 2022.

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 power generation business, provision of helicopter services and Group-level corporate and management services. In the financial period ended 31 May 2022, helicopter services and corporate segment contributed RM3.9 million to the total revenue of the Group, mainly due to the contribution from the power generation segment.

**Consolidated loss before tax**

The Group recorded a loss before tax of RM111.6 million for the seventeen (17) months period ended 31 May 2022 and included in this seventeen (17) months reporting period were the months in which the Group’s operations were affected by the various Movement Control Orders and recognition of loss due to assets held for sale amounting to RM59.7 million (Note A7) and de-recognition of deferred tax assets amounting to RM21.7 million.

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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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2022**

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

**A7. Assets held for sale**

(a) Proposed disposal of a subsidiary

On 29 July 2022, the Company made an announcement that it has entered into a Conditional Share Purchase Agreement (“CSPA”) to dispose of PT. Inpolo 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 (1st) first quarter of 2023.

At 31 May 2022, the assets and liabilities related to PT. IME have been presented as Assets held for sale and its results are presented separately as Loss after tax for the period from discontinued operation.

**Statement of financial position disclosure:**

The major classes of assets and liabilities of PT. IME classified as held for sale as at 31 May 2022 are as follows:

	<b>31 May 2022</b>
	<b>RM’000</b>
Assets:	
Property, plant and equipment	22
Intangible asset	2,510
Concession financial asset	110,277
Trade and other receivables	1,105
Other current assets	242
Cash and bank balances	3,184
	<u>117,340</u>
Loss on disposal of discontinued operation	<u>(52,025)</u>
Asset held for sale	<u><u>65,315</u></u>
Liabilities:	
Loans and borrowings	(26,920)
Trade and other payables	(4,832)
Tax payable	(4)
Deferred tax liabilities	(6,205)
Liabilities directly associated with asset held for sale	<u><u>(37,961)</u></u>
Reserve:	
Reserve of asset held for sale	<u><u>(52,025)</u></u>



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2022**

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

**A7. Assets held for sale (contd.)**

- (a) Proposed disposal of a subsidiary (contd.)

**Statement of profit or loss and other comprehensive income disclosure :**

The results of PT. IME results for the period are presented below:

	<b>For the seventeenth months ended 31 May 2022 RM'000</b>
Revenue	5,667
Expenses	(4,687)
Operating income	7,793
Finance costs	(13,234)
Loss before tax from discontinued operation	(4,461)
Tax expense (Note A9)	(3,244)
Loss on disposal of discontinued operation	(52,025)
Loss after tax for the period from discontinued operation	(59,730)

- (b) Disposal of a unit of helicopter

On 2 April 2021, a wholly owned subsidiary of the Company has entered into a Sale and Purchase Agreement for a disposal of a unit of helicopter and as at 31 May 2022, the transfer of the ownership of the helicopter was still in progress but has been completed as at the date of this report.

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

	<b>Current quarter 2 months ended</b>		<b>Cumulative quarter 17 months ended</b>	
	<b>31 May 2022 RM'000</b>	<b>31 May 2020 RM'000</b>	<b>31 May 2022 RM'000</b>	<b>31 May 2020 RM'000</b>
Bad debts written off	1,918	N/A	1,918	N/A
Depreciation of property, plant and equipment	2,258	N/A	20,065	N/A
Finance income form concessions financial assets	(4,737)	N/A	-	N/A
Loss on assets held for sale	46,732	N/A	46,732	N/A
Loss/(gain) on disposal of property, plant and equipment	41	N/A	(148)	N/A
Interest expense	(4,541)	N/A	17,711	N/A
Interest income	(7,792)	N/A	(10,632)	N/A
Inventories written off	124	N/A	263	N/A
Unrealised loss on foreign exchange	531	N/A	98	N/A



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

**A9. Income tax expense**

	Current quarter 3 months ended		Cumulative quarter 17 months ended	
	31 May 2022 RM'000	31 May 2022 RM'000	31 May 2022 RM'000	31 May 2022 RM'000
Current income tax:				
Based on results for the period	(40)	N/A	1,650	N/A
Under provision in respect of previous years	40	N/A	40	N/A
Deferred income tax:				
Origination and reversal of temporary differences	33,619 (10,260)	N/A N/A	25,833 (9,468)	N/A
Income tax attributable to continuing operation	<u>23,359</u>	<u>N/A</u>	<u>18,055</u>	<u>B/A</u>
Income tax attributable to discontinued operation (Note A7)	<u>(3,244)</u>	<u>N/A</u>	<u>(3,244)</u>	<u>N/A</u>
	<u>20,115</u>	<u>N/A</u>	<u>14,811</u>	<u>N/A</u>

The effective tax rate for the current and cumulative current quarter ended 31 May 2022 was higher than the statutory tax rate principally due to de-recognition of deferred tax assets in certain subsidiaries.

**A10. 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 quarter		Current period to date	
	31 May 2022	31 May 2020	31 May 2022	31 May 2020
Loss net of tax attributable to equity holders the Company (RM'000)	<u>(90,122)</u>	<u>N/A</u>	<u>(124,671)</u>	<u>N/A</u>
Weighted average number of ordinary shares in issue ('000)	<u>368,607</u>	<u>N/A</u>	<u>368,607</u>	<u>N/A</u>
Basic loss per share (sen per ordinary share)	<u>(24.45)</u>	<u>N/A</u>	<u>(33.82)</u>	<u>N/A</u>
Diluted loss per share (sen per ordinary share)	<u>(24.45)</u>	<u>N/A</u>	<u>(33.82)</u>	<u>N/A</u>

**A11. Property, plant and equipment**

During the period ended 31 May 2022, the Group acquired assets at the cost of RM8.5 million.



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**A12. Concession financial assets**

	<b>31 May 2022 RM’000</b>	<b>31 December 2020 RM’000</b>
At 1 January	99,045	99,863
Concession construction revenue	2,532	2,511
Accrued financial income	7,764	5,308
Exchange difference	4,191	(3,016)
Impairment	-	(5,621)
Recovery of concession asset	(3,255)	-
Assets held for sale (Note A7)	(110,277)	-
At 31 May 2022/31 December 2020	<u>-</u>	<u>99,045</u>

**A13. Cash and bank balances**

Cash and bank balances comprised the following amounts:

	<b>31 May 2022 RM’000</b>	<b>31 December 2020 RM’000</b>
Cash in hand and at banks	16,017	27,500
Deposits with licensed banks	2,399	15,000
<b>Cash and bank balances</b>	<u>18,416</u>	<u>42,500</u>

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

	<b>31 May 2022 RM’000</b>	<b>31 December 2020 RM’000</b>
Cash and bank balances	18,416	42,500
Less: Bank overdrafts	(2,000)	(1,998)
Cash restricted for repayment	-	(2,034)
Deposits pledged	(3,479)	(3,500)
<b>Cash and cash equivalents</b>	<u>12,937</u>	<u>34,968</u>

**A14. Loans and borrowings**

	<b>31 May 2022 RM’000</b>	<b>31 December 2020 RM’000</b>
<b>Current</b>		
Secured	90,080	60,372
Unsecured	316,073	335,435
	<u>406,153</u>	<u>395,807</u>
<b>Non-current</b>		
Secured	39,286	72,681
Unsecured	44	-
	<u>39,330</u>	<u>72,681</u>
	<u>445,483</u>	<u>468,488</u>

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

	<b>31 May 2022 USD’000</b>	<b>31 December 2020 USD’000</b>
USD term loan	<u>5,053</u>	<u>5,619</u>



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**A15. Dividend paid**

No dividend had been paid for the period ended 31 May 2022.

**A16. Commitments**

	<b>31 May 2022 RM'000</b>	<b>31 December 2020 RM'000</b>
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	1,223	378
Approved but not contracted for:		
Property, plant and equipment	10,759	5,096
	<u>11,982</u>	<u>5,474</u>

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**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 May 2022 as well as the balances with the related parties as at 31 May 2022 and 31 December 2020.

		May 2022		May 2022/December 2020	
		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	2022	16,495	-	96	-
SESCO Berhad	2020	N/A	N/A	893	-
Transactions with subsidiaries of Hng Capital Sdn Bhd:					
Alpha	2022	7,229	195,474	10,641	1,924
Industries Sdn. Bhd.	2020	N/A	N/A	-	9,599
Leader	2022	-	-	-	-
Universal Aluminium Sdn. Bhd.	2020	N/A	N/A	-	-

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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 loss before taxation**

The results for the quarter ended 31 May 2022 has dropped when compared to the immediate preceding quarter as customers for both Cable and Wires, and Galvanized products and steel structures segment has delayed in materialization of their respective book orders and minimal progress for the projects under the Transmission Line Construction segment. At the same time, the Group recognised loss due to assets held for sale amounting to RM59.7 million (Note A7) and de-recognised deferred tax assets amounting to RM21.7 million.

**B5. Commentary on prospects**

The Group’s Cable and Wires segment has good book orders and that there is an increase in the book orders for Galvanized products and steel structures segment as well as the Transmission Line Construction segment. These increased book orders will be contributing positively to the Group.

The Group anticipates improving performance in the coming financial year, 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) Private placement of up to 30% of the total number of issued shares of the Company**

On 22 February 2021, the Company announced that it proposed to undertake the proposed private placement of up to 95,115,000 new ordinary shares in the Company (“Shares”) representing up to 30% of the total number of issued shares of the Company (“the Proposal”).

On 17 March 2021, the Company has submitted the additional listing application and draft circular to shareholders of the Company, in relation to the Proposal for Bursa Securities’ clearance.

The Company has obtained approval from Bursa Securities for the Proposal on 23 March 2021.

On 7 April 2021, the Company has dispatched the circular to shareholder to seek shareholders’ approval on the Proposal at an Extraordinary General Meeting (“EGM”) to be convened on 23 April 2021.

Shareholders’ approval was obtained at the aforesaid EGM.

On 11 May 2021, the Company raised RM7.65 million with the issuance of 18,525,000 Shares.

The Company has on 4 June 2021 announced that the Company shall seek fresh approval from its shareholders in respect of the placement of 63,410,000 subscription shares to Petra Transit Systems Sdn Bhd (“the Subscriber”).

Subsequently on 10 June 2021, the Company dispatched the circular to shareholders to seek fresh approval from its shareholders in respect of the placement of 63,410,000 subscription shares to the Subscriber pursuant to paragraph 8.22 of the Main Market Listing Requirements in respect of the material variation to the terms of the subscription agreement.

On 1 July 2021, the Company raised RM22.57 million with the issuance of 63,410,000 Shares to the Subscriber.



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

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

- (a) Private placement of up to 30% of the total number of issued shares of the Company (contd.)

On 17 March 2022, Bursa Securities has granted the Company further extension of time until 22 September 2022 to complete this Proposal.

Status of utilisation of proceeds from the Proposal:

The gross proceeds from the Proposal of RM 30.22 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	28,940	(28,894)	(46)	-	Within 12 months	-
(ii)	Estimated expenses	1,280	(1,326)	46	-	Within 1 month	Note A
		<u>30,220</u>	<u>(30,220)</u>	<u>-</u>	<u>-</u>		

Explanation:

Note A: The expenses represented actual expenses incurred for completion of EGM and raising of the gross proceeds of RM30.2 million.

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

On 19 January 2022, the Company announced that it has entered into a term sheet with KEH for the proposed disposal of 100% equity interest in PT IME for a cash consideration of Ringgit Malaysia Ten Thousand only (RM10,000.00), and that KEH will facilitate the settlement of debts and liabilities of the Company and PT IME.

The Proposed Disposal is subject to a CSPA to be entered into 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 the Company and KEH has entered into the CSPA.

The corporate proposal is currently on-going as at the date of this report and is expected to be completed by the first (1st) quarter of 2023.

**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 MAY 2022**

**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 May 2022.

**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 May 2022 and 31 December 2020 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 2020 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 29 July 2022.

By order of the Board