



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

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
29 FEBRUARY 2024**

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

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		29.02.2024 RM'000	28.02.2023 RM'000	29.02.2024 RM'000	28.02.2023 RM'000
Revenue		74,426	130,546	273,943	455,942
Cost of sales		(70,899)	(136,081)	(268,477)	(454,210)
Gross profit/(loss)		3,527	(5,535)	5,466	1,732
Other operating income		(169)	1,550	2,548	9,835
Administrative expenses		(3,760)	(2,972)	(13,603)	(13,993)
Other operating expenses		(14,451)	(4,283)	(43,546)	(13,981)
Operating loss		(14,853)	(11,240)	(49,135)	(16,407)
Finance costs		(6,082)	(6,155)	(20,562)	(15,001)
Loss before tax	A8	(20,935)	(17,395)	(69,697)	(31,408)
Income tax expense	A9	(107)	3,240	113	4,969
Loss for the period		(21,042)	(14,155)	(69,584)	(26,439)
Other comprehensive loss					
Exchange differences on translation of foreign operation		-	(1,887)	-	(789)
Net movement of cash flow hedges		-	1,769	-	1,028
Income tax related to cash flow hedges		-	(425)	-	(247)
Other comprehensive profit for the period, net of tax		-	(543)	-	(8)
Total comprehensive loss for the period, net of tax		(21,042)	(14,698)	(69,584)	(26,447)
<b>Loss for the period attributable to:</b>					
Equity holders of the company		(21,042)	(14,155)	(69,584)	(26,439)
Non-controlling interests		-	-	-	-
		(21,042)	(14,155)	(69,584)	(26,439)
<b>Total comprehensive loss for the period, net of tax attributable to:</b>					
Equity holders of the company		(21,042)	(14,698)	(69,584)	(26,447)
Non-controlling interests		-	-	-	-
		(21,042)	(14,698)	(69,584)	(26,447)
<b>Loss per share attributable to equity holders of the company (sen per share):</b>					
Basic	A10	(5.27)	(3.55)	(17.44)	(6.63)
Diluted	A10	(5.27)	(3.55)	(17.44)	(6.63)

*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 29 FEBRUARY 2024**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	29.02.2024 RM'000	31.05.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A11	194,802	206,022
Trade receivables		8,689	15,260
Investment in associate		1,871	1,710
		<u>205,362</u>	<u>222,992</u>
<b>Current assets</b>			
Inventories		57,404	72,832
Trade and other receivables		76,671	101,022
Other current assets		2,185	6,900
Contract assets		-	7,643
Tax assets		8,805	13,480
Cash and bank balances	A12	34,760	37,459
		<u>179,825</u>	<u>239,336</u>
Assets of a disposal group classified as held for sale	A7	-	59,870
		<u>179,825</u>	<u>299,206</u>
<b>TOTAL ASSETS</b>		<u><u>385,187</u></u>	<u><u>522,198</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Loans and borrowings	A13	381,818	388,644
Trade and other payables		68,232	96,115
Contract liabilities		11,986	24,345
		<u>462,036</u>	<u>509,104</u>
Liabilities of a disposal group classified as held for sale	A7	-	27,964
		<u>462,036</u>	<u>537,068</u>
<b>Net current liabilities</b>		<u>(282,211)</u>	<u>(237,862)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	A13	11,424	11,872
Trade payables		6,535	6,535
Deferred tax liabilities		29,759	30,624
		<u>47,718</u>	<u>49,031</u>
<b>Total liabilities</b>		<u>509,754</u>	<u>586,099</u>
<b>Net liabilities</b>		<u>(124,567)</u>	<u>(63,901)</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital		267,215	267,215
Reverse acquisition reserve		(37,300)	(37,300)
Foreign currency translation reserve		-	(4,642)
Accumulated losses		(353,284)	(283,700)
		<u>(123,369)</u>	<u>(58,427)</u>
Non-controlling interests		(1,198)	(5,474)
<b>Total equity</b>		<u>(124,567)</u>	<u>(63,901)</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>385,187</u></u>	<u><u>522,198</u></u>
Net liabilities per share attributable to owners of the Company (sen)		(31)	(16)

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



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2024**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Total Equity	Total equity attributable to equity holders of the Company, total	Attributable to equity holders of the Company					Non-controlling interests
			Share capital	Reverse acquisition reserve	Foreign currency translation reserves	Hedge reserve	Distributable	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 June 2022	36,441	40,928	267,215	(37,300)	(2,726)	(781)	(185,480)	(4,487)
Loss for the period	(26,439)	(26,439)	-	-	-	-	(26,439)	-
Other comprehensive income	(8)	(8)	-	-	(789)	781	-	-
Total comprehensive income	(26,447)	(26,447)	-	-	(789)	781	(26,439)	-
At 28 February 2023	9,994	14,481	267,215	(37,300)	(3,515)	-	(211,919)	(4,487)

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



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2024**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Note	Total Equity RM'000	Total equity attributable to equity holders of the Company, total RM'000	Attributable to equity holders of the Company					Non-controlling interests RM'000
				Share capital RM'000	Reverse acquisition reserve RM'000	Foreign currency translation reserves RM'000	Hedge reserve RM'000	Accumulated losses RM'000	
At 1 June 2023		(63,901)	(58,427)	267,215	(37,300)	(4,642)	-	(283,700)	(5,474)
Loss for the period		(69,584)	(69,584)	-	-	-	-	(69,584)	-
Discontinued operation		8,918	4,642	-	-	4,642	-	-	4,276
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive loss		(60,666)	(63,942)	-	-	4,642	-	(69,584)	4,276
At 29 February 2024		(124,567)	(122,369)	267,215	(37,300)	-	-	(353,284)	(1,198)

*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 29 FEBRUARY 2024**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	29.02.2024 Unaudited RM'000	31.05.2023 Audited RM'000
<b>Cash flow from operating activities</b>			
Loss before tax		(69,697)	(52,175)
Adjustments for:			
Bad debts written off		140	185
Depreciation of property, plant and equipment	A8	9,181	13,256
Finance lease receivable written off		-	141
Forfeiture of deposits, net		-	20
Gain on disposal of property, plant and equipment	A8	(565)	-
Impairment losses on:			
- assets held for sales		-	2,961
- trade receivables		(311)	4,644
- other receivables		-	4,080
Interest expense	A8	20,562	21,485
Interest income	A8	(1,266)	(202)
Inventories written down	A8	-	598
Inventories written off		188	111
Loss/(gain) on disposal of assets held for sales		19,022	(3,618)
Loss on disposal of a subsidiary	A7	11,813	-
Property, plant and equipment written off		-	82
Reversal of allowance for impairment loss of trade receivables		-	(2,140)
Reversal of provision for inventories obsolescence		-	(194)
Share of results of an associate		(161)	(234)
Unrealised gain on foreign exchange, net	A8	127	(3,667)
Waiver of debts		-	(2,190)
Operating loss before working capital changes		<u>(10,967)</u>	<u>(16,857)</u>
Changes in working capital:			
Decrease in inventories		15,240	44,622
Decrease in trade and other receivables		34,881	36,818
Decrease in contract assets		2,858	774
Increase in asset held for sales		(19,892)	-
(Decrease)/increase in contract liabilities		(11,397)	17,542
Decrease in trade and other payables		(13,780)	(28,889)
Total changes in working capital		<u>7,910</u>	<u>70,867</u>
Cash flows (used in)/generated from operations		(3,057)	54,010
Interest paid		(20,562)	(21,485)
Tax paid, net of refund		3,896	(1,551)
Net cash flows (used in)/from operating activities		<u>(19,723)</u>	<u>30,974</u>



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2024**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	29.02.2024 Unaudited RM'000	31.05.2023 Audited RM'000
<b>Cash flow from investing activities</b>			
Interest received		1,266	202
Investment in associate		-	(1,476)
Net change in pledged deposits		-	(669)
Proceeds from disposal of assets held for sales		23,519	37,328
Proceeds from disposal of property, plant and equipment		3,459	5
Purchase of property, plant and equipment		(878)	(2,723)
Net cash from investing activities		<u>27,366</u>	<u>32,667</u>
<b>Cash flow from financing activities</b>			
Advance from related party		-	1
Payment of lease liabilities		-	(408)
Repayment from loans and borrowings, net		(6,203)	(54,272)
Net cash used in financing activities		<u>(6,203)</u>	<u>(54,679)</u>
<b>Net increase in cash and cash equivalents</b>		<b>1,440</b>	<b>8,962</b>
Effect on exchange rate changes		-	102
Cash and cash equivalents at 1 June 2023/1 June 2022		<u>22,409</u>	<u>13,345</u>
<b>Cash and cash equivalents at 29 February 2024/31 May 2023</b>	A12	<b><u>23,849</u></b>	<b><u>22,409</u></b>

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



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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024**

### **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 25 April 2024.

#### **A2. Significant accounting policies**

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

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

<b>Description</b>	<b>Effective Date</b>
• Amendment to MFRS 7 <i>Financial Instruments : Disclosures</i>	1 January 2024
• Amendment to MFRS 10 <i>Consolidated Financial Statements</i>	Deferred
• Amendment to MFRS 16 <i>Leases</i>	1 January 2024
• Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2024
• Amendments to MFRS 107 <i>Statements of Cash Flows</i>	1 January 2024
• Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>	1 January 2024
• Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures</i>	Deferred

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

#### **A3. Changes in estimates**

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

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

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

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024**

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

**A5. Segment information**

	Sales of cables and wires		Sales of galvanised products and steel structures		Transmission lines construction		Helicopter services and corporate		Total		Adjustments/elimination		Per condensed consolidated financial statements	
	29 Feb 2024	28 Feb 2023	29 Feb 2024	28 Feb 2023	29 Feb 2024	28 Feb 2023	29 Feb 2024	29 Feb 2023	29 Feb 2024	29 Feb 2023	29 Feb 2024	29 Feb 2023	29 Feb 2024	29 Feb 2023
	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	239,752	387,131	13,005	13,150	21,186	55,060	-	601	273,943	455,942	-	-	273,943	455,492
Inter-segment	5,372	6,245	-	-	-	-	2,073	3,688	7,445	9,933	(7,445)	(9,933)	-	-
<b>Total revenue</b>	<b>245,124</b>	<b>393,376</b>	<b>13,005</b>	<b>13,150</b>	<b>21,186</b>	<b>55,060</b>	<b>2,073</b>	<b>4,289</b>	<b>281,388</b>	<b>465,875</b>	<b>(7,445)</b>	<b>(9,933)</b>	<b>273,943</b>	<b>455,492</b>
<b>Segment loss</b>	<b>(15,811)</b>	<b>(23,440)</b>	<b>(2,406)</b>	<b>(2,627)</b>	<b>(1,201)</b>	<b>519</b>	<b>(45,782)</b>	<b>(4,649)</b>	<b>(65,200)</b>	<b>(30,197)</b>	<b>(4,497)</b>	<b>(1,211)</b>	<b>(69,697)</b>	<b>(31,408)</b>





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

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

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

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

**Sales of cables and wires**

The sales of cables and wires segment contributed 87.5% (28 February 2023: 84.9%) of the total revenue of the Group for the period ended 29 February 2024.

The segment recorded a revenue and loss before tax of RM239.8 million (28 February 2023: RM387.1 million) and RM15.8 million (28 February 2023: RM23.4 million) respectively for the period ended 29 February 2024. As the restructuring program was rejected, the Group is in the midst of negotiating with its creditors on a new restructuring. While this is in progress, our credit and financing lines are on a stand-still. Therefore, we are currently operating under a lower capacity using all internal resources in the Group. This has resulted in a reduced production and lower revenue recorded. Since the production has reduced, this has led to a higher unabsorbed overheads, resulting in a segment loss for the reporting period.

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

**Sales of galvanized products and steel structures**

The sales of galvanized products and steel structures segment contributed 4.7% (28 February 2023: 2.9%) of the total revenue of the Group for the period ended 29 February 2024.

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 RM2.4 million (28 February 2023: RM2.6 million) for period ended 29 February 2024. The segment is also operating using internal resources as its financing lines are also on a stand-still while negotiation with creditors is in progress. This has resulted in a reduced operations and therefore, the low revenue was insufficient to cover the manufacturing and operating expenses leading to a segment loss recognised for the reporting period.

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



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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 7.7% (28 February 2023: 12.1%) of the total revenue of the Group for the period ended 29 February 2024.

The segment recorded a revenue and loss before tax of RM21.1 million (28 February 2023: RM55.1 million) and RM1.2 million (28 February 2023: profit before tax RM0.5 million) respectively for the financial period ended 29 February 2024.

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

The Group has disposed of a subsidiary under this business segment. Please refer to Note A7.

**Helicopter services and corporate**

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

**Consolidated loss before tax**

The Group recorded a loss before tax of RM69.7 million (28 February 2023: RM31.4 million) for the period ended 29 February 2024 is mainly due to segment loss recorded for cables and wires segment, and galvanized products and steel structures segment as production has slowed down due to the stand-still in credit and financing lines, and loss from disposal of a subsidiary.

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. Assets/(liabilities) classified as held for sale and discontinued operation**

As at 31 May 2023, the assets and liabilities related to PT Inpola Mitra Elektrindo were presented as assets and liabilities held for sale. This transaction was completed on 31 October 2023.

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

**A7. Assets/(liabilities) classified as held for sale and discontinued operation (contd.)**

On 7 September 2023, the Company entered into a Share Subscription Agreement (“SSA”) and on 15 January 2024 entered into an agreement to dispose of Trenergy Infrastructure Sdn. Bhd. (“TISB”), a subsidiary in which the Company holds 100.00% equity interest. The business of TISB represented the Group’s transmission line construction segment.

The major classes of assets and liabilities of TISB classified as held for sale as at 29 February 2024 are as follows:

	29 February 2024 RM’000
<b>Assets</b>	
Property, plant and equipment	23
Trade and other receivables	17,519
Contract assets	4,786
Other current assets	21
Cash and bank balances	6,057
	<u>28,406</u>
<b>Liabilities</b>	
Trade and other payables	(14,231)
Contract liabilities	(962)
	<u>(15,193)</u>
Net assets directly associated with disposal group	<u>13,213</u>
Proceed from disposal	1,400
Net assets directly associated with disposal group	(13,213)
Loss on disposal (Note A8)	<u>(11,813)</u>
The results of TISB for the period are presented below:	
Revenue	20,480
Cost of sales	(18,810)
Gross profit	1,670
Administrative expenses	(1,163)
Finance costs	(1,280)
Loss before tax	(773)
Income tax expense	-
Loss for the period	<u>(773)</u>
Loss attributable to:	
Owners of the Company	<u>(773)</u>



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

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

	Current 3 months ended		Cumulative 9 months ended	
	29 Feb 2024	28 Feb 2023	29 Feb 2024	28 Feb 2023
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	-	-	140	-
Depreciation of property, plant and equipment	2,775	3,420	9,181	10,322
Loss/(gain) on disposal of property, plant and equipment	451	50	(565)	(3,568)
Impairment losses on:				
- trade receivables	-	-	(311)	-
Interest expenses	6,082	6,155	20,562	15,001
Interest income	(103)	(1,319)	(1,266)	(2,482)
Inventories written down	188	(4)	188	(145)
Inventories written off	(12)	-	-	-
Loss on disposal of asset held for sales	-	-	19,022	-
Loss on disposal of a subsidiary (Note A7)	11,813	-	11,813	-
Impairment/(reversal) of impairment loss recognised on the remeasurement to fair value	-	622	-	(1,840)
Share of results of an associate				-
Unrealised loss/(gain) on foreign exchange	233	207	127	(469)

**A9. Income tax expense**

	Current 3 months ended		Cumulative 9 months ended	
	29 Feb 2024	28 Feb 2023	29 Feb 2024	28 Feb 2023
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Based on results for the year	580	108	989	950
Overprovision in respect of previous year	(69)	-	(69)	-
	<u>511</u>	<u>108</u>	<u>920</u>	<u>950</u>
Deferred income tax:				
Origination and reversal of temporary differences	243	(3,053)	(288)	(5,624)
Under/(over) provision of deferred tax in respect of previous year	(647)	(295)	(745)	(295)
	<u>(404)</u>	<u>(3,348)</u>	<u>(1,033)</u>	<u>(5,919)</u>
Income tax expense recognised in profit or loss	<u>107</u>	<u>(3,240)</u>	<u>(113)</u>	<u>(4,969)</u>

The effective tax rate for the current quarter ended 29 February 2024 was higher than the statutory tax rate principally due to certain expenses which are not deductible for tax purposes.

The effective tax rate for the financial period ended 29 February 2024, previous quarter and financial period ended 28 February 2023 was lower than the statutory tax rate principally due to recognition of deferred tax assets arising from unabsorbed tax losses and unabsorbed capital allowances in certain subsidiaries, and over-provision of deferred tax liabilities.



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024**

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

**A10. Loss per share**

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

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

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

	Current quarter		Current period to date	
	29 Feb 2024	28 Feb 2023	29 Feb 2024	28 Feb 2023
Loss net of tax attributable to owners of the Company (RM'000)	(21,042)	(14,155)	(69,584)	(26,439)
Weighted average number of ordinary shares in issue ('000)	<u>398,985</u>	<u>398,985</u>	<u>398,985</u>	<u>398,985</u>
Basic loss per share (sen per ordinary share)	(5.27)	(3.55)	(17.44)	(6.63)
Diluted loss per share (sen per ordinary share)	<u>(5.27)</u>	<u>(3.55)</u>	<u>(17.44)</u>	<u>(6.63)</u>

**A11. Property, plant and equipment**

During the period ended 29 February 2024, the Group acquired assets at the cost of RM0.8 million (31 May 2023: RM2.9 million).

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

**A12. Cash and bank balances**

Cash and bank balances comprised the following amounts:

	<b>29 Feb 2024 RM'000</b>	<b>31 May 2023 RM'000</b>
Cash in hand and at banks	34,760	34,391
Deposits with licensed banks	-	3,068
<b>Cash and bank balances</b>	<u>34,760</u>	<u>37,459</u>

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

	<b>29 Feb 2024 RM'000</b>	<b>31 May 2023 RM'000</b>
Cash and bank balances	34,760	37,459
Less: Bank overdrafts	(10,911)	(11,982)
Deposits pledged	-	(3,068)
<b>Cash and cash equivalents</b>	<u>23,849</u>	<u>22,409</u>

**A13. Loans and borrowings**

	<b>29 Feb 2024 RM'000</b>	<b>31 May 2023 RM'000</b>
<b>Current</b>		
Secured	320,480	326,154
Unsecured	61,338	62,490
	<u>381,818</u>	<u>388,644</u>
<b>Non-current</b>		
Secured	11,424	11,285
Unsecured	-	587
	<u>11,424</u>	<u>11,872</u>
	<u>393,242</u>	<u>400,516</u>

**A14. Dividend paid**

No dividend had been paid for the period ended 30 November 2023.

**A15. Commitments**

	<b>29 Feb 2024 RM'000</b>	<b>31 May 2023 RM'000</b>
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	14	33
Approved but not contracted for:		
Property, plant and equipment	4,200	4,428
	<u>4,214</u>	<u>4,461</u>



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024**

**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 29 February and 28 February 2022 as well as the balances with the related parties as at 29 February 2023 and 31 May 2023.

		Feb 2024/Feb 2023		Feb 2024/May 2023	
		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
		RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries of Sarawak Energy Berhad:					
Syarikat SESCO Berhad	Feb'24	420	-	Feb'24	-
	Feb'23	319	-	May'23	-
Transactions with subsidiaries of Hng Capital Sdn Bhd:					
Alpha Industries Sdn. Bhd.	Feb'24	2,115	50,720	Feb'24	1,324
	Feb'23	2,207	84,721	May'23	311
Leader Solar Sdn. Bhd.	Feb'24	-	404	Feb'24	-
	Feb'23	-	357	May'23	-

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024**

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

**B3. Review of performance**

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

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

The loss before taxation for the quarter ended 29 February 2024 is lower than the immediate preceding quarter. As explained in Note A5, the Group’s credit and financing lines which are still at a stand-still has resulted in the Group operating in a lower capacity, using the Group’s internal resources. This has led to lower revenue and high unabsorbed.

**B5. Commentary on prospects**

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

The Group is currently in the midst of negotiating with its bank creditors to restructure its banking debts. The successful implementation of this restructuring will rehabilitate the financial performance of the Group. This is of course, subject to the outcome of the hearing on 15 May 2024.

**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**

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

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

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

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

On 14 December 2023, the Company has announced that at the winding up petition hearing on 13 December 2023, the court has decided to adjourn the decision for the winding up petition until 7 March 2024.

On 7 March 2024, the Company has announced that the case management has been fixed on 29 April 2024 to update the court on the filing status of the Petitioner’s winding-up petition, while a clarification and/or decision for the Petitioner’s winding-up petition and the Respondents Summon in Chamber’s to stay the winding-up petition have been fixed for 15 May 2024.





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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024**

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

#### **B8. Changes in material litigation (contd.)**

##### **Writ of Summons and Statement of claims served by Hong Leong Islamic Bank Berhad against the Company, and Hong Leong Bank Berhad against the Company and Universal Cable (Sarawak) Sdn Bhd**

The Company and its wholly owned subsidiary, Universal Cable (Sarawak) Sdn Bhd had on 8 April 2024, served Writs of Summons and Statement of Claims by Hong Leong Islamic Bank Berhad (“HLIBB”) and Hong Leong Bank Berhad (“HLBB”) (“the Suits”) in the High Court of Sabah & Sarawak at Kuching (“the Court”).

The summary details of the above-mentioned Suits are as follows:-

- (i) HLIBB is claiming against the Company for a sum of RM78,298,325.68 (as at 14 February 2024) under the Hong Leong Term Financing -i;
- (ii) HLBB is claiming against the Company for a sum of RM14,727,494.93 (as at 14 February 2024) under the Banker’s Acceptance Facility; and
- (iii) HLBB is claiming against Universal Cable (Sarawak) Sdn Bhd for a sum of RM2,500,745.23 (as at 14 February 2024) under the Banker’s Acceptance Facility whereas the Company is the corporate guarantor of this facility.

The Group is in the negotiation with the respective creditor banks including both HLIBB and HLBB to resolve these matters.

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

No dividend was payable for quarter ended 29 February 2024.

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

There was no outstanding derivative as of this quarter ended 29 February 2024.

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

There was no outstanding derivative as of this quarter ended 29 February 2024.

#### **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 29 February 2024 and 31 May 2023 other than the derivatives as disclosed in Note B10 above.



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

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

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

**B14. Authorised for issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 April 2024.

By order of the Board