



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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.03.2010 RM'000	Preceding year corresponding quarter 31.03.2009 RM'000	Current year to date 31.03.2010 RM'000	Preceding year corresponding period 31.03.2009 RM'000
Revenue		26,577	-	26,577	-
Cost of sales		(24,121)	-	(24,121)	-
Gross profit		2,456	-	2,456	-
Other operating expenses		(1,233)	-	(1,233)	-
Other operating income		6	-	6	-
Results from operating activities		1,229	-	1,229	-
Interest expense		-	-	-	-
Interest income		6	-	6	-
Profit before tax		1,235	-	1,235	-
Tax expense	22	(328)	-	(328)	-
Profit for the period		907	-	907	-
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		907	-	907	-
<b>Profit attributable to:</b>					
Equity holders of the company		917	-	917	-
Minority interests		(10)	-	(10)	-
		907	-	907	-
<b>Total comprehensive income attributable to:</b>					
Equity holders of the company		917	-	917	-
Minority interests		(10)	-	(10)	-
		907	-	907	-
<b>Earnings per share attributable to the equity holders of the company:</b>					
Basic (sen)	30	0.86	-	0.86	-
Diluted (sen)	30	0.86	-	0.86	-

**Notes:**

- (a) *The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2009, Prospectus of the Company dated 6 May 2010 and the accompanying explanatory notes attached to the interim financial statements.*
- (b) *This is the first interim financial report on the consolidated results of the Company and its subsidiaries announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market as the Company will be listed on 25 May 2010. As such, there are no comparative figures for the preceding year's corresponding quarter and period.*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As at 31.03.2010 RM'000</b>	<b>Audited As at 31.12.2009 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,378	34,655
Prepaid land lease payments	2,824	2,833
	<u>37,202</u>	<u>37,488</u>
<b>Current assets</b>		
Inventories	16,521	17,606
Trade and other receivables	38,662	31,340
Cash and cash equivalents	5,549	4,444
	<u>60,732</u>	<u>53,390</u>
<b>TOTAL ASSETS</b>	<u>97,934</u>	<u>90,878</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	16,200	16,200
Share premium	24	24
Revaluation reserve	452	452
Revenue reserve	63,496	62,779
	<u>80,172</u>	<u>79,455</u>
Minority interests	230	240
<b>Total equity</b>	<u>80,402</u>	<u>79,695</u>
<b>Non-current liabilities</b>		
Deferred tax liability	2,284	2,226
	<u>2,284</u>	<u>2,226</u>
<b>Current liabilities</b>		
Trade and other payables	14,965	8,792
Tax payable	283	165
	<u>15,248</u>	<u>8,957</u>
<b>Total liabilities</b>	<u>17,532</u>	<u>11,183</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>97,934</u>	<u>90,878</u>
Net assets per share attributable to ordinary equity holders of the Company <sup>(b)</sup>	0.75	0.74

**Notes:**

(a) *The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2009, Prospectus of the Company dated 6 May 2010 and the accompanying notes attached to the interim financial statements.*

(b) *Computed based on 107,000,000 ordinary shares of RM0.50 each in the Company ("Shares").*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the Company →				Minority interests	Total equity	
	Share capital	← Non distributable →		Distributable			Total
	Share premium	Revaluation reserve	Revenue reserves				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2010	16,200	24	452	62,779	79,455	240	79,695
Effect of adopting FRS 139	-	-	-	(200)	(200)	-	(200)
	<u>16,200</u>	<u>24</u>	<u>452</u>	<u>62,579</u>	<u>79,255</u>	<u>240</u>	<u>79,495</u>
Total comprehensive income for the period	-	-	-	917	917	(10)	907
At 31 March 2010	<u>16,200</u>	<u>24</u>	<u>452</u>	<u>63,496</u>	<u>80,172</u>	<u>230</u>	<u>80,402</u>

**Notes:**

- (a) *The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2009, Prospectus of the Company dated 6 May 2010 and the accompanying explanatory notes attached to the interim financial statements.*
- (b) *This is the first interim financial report on the consolidated results of the Group announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market as the Company will be listed on 25 May 2010. As such, there are no comparative figures for the preceding year's corresponding period.*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current year to date</b>	<b>Preceding year corresponding period</b>
	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	1,235	-
Adjustments for:		
Non-cash items and non-operating items	495	-
Operating profit before working capital changes	1,730	-
Changes in working capital	(259)	-
Cash generated from operations	1,471	-
Tax paid	(151)	-
Net cash generated from operating activities	1,320	-
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(221)	-
Interest received	6	-
Net cash used in investing activities	(215)	-
<b>Net increase in cash and cash equivalents</b>	1,105	-
Cash and cash equivalents at beginning of period	4,444	-
<b>Cash and cash equivalents at end of period</b>	5,549	-
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	3,100	-
Deposit with licensed banks	2,449	-
Cash and bank balances	5,549	-

**Notes:**

- (a) *The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2009, Prospectus of the Company dated 6 May 2010 and the accompanying explanatory notes attached to the interim financial statements.*
- (b) *This is the first interim financial report on the consolidated results of the Group announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market as the Company will be listed on 25 May 2010. As such, there are no comparative figures for the preceding year's corresponding period.*



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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**

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

#### **1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements.

The interim financial report should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

#### **2. Summary of significant accounting policies**

Save as disclosed below, significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 31 December 2009 of the Group:

On 1 January 2010, the Group adopted the following FRSs, Issues Committee (“IC”) Interpretations and Amendments mandatory for financial periods beginning on or after 1 July 2009 or 1 January 2010:

FRS 4: Insurance Contracts  
FRS 7: Financial Instruments: Disclosures  
FRS 8: Operating Segments  
FRS 101: Presentation of Financial Statements  
FRS 123: Borrowing Costs  
FRS 139: Financial Instruments: Recognition and Measurement  
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards  
Amendments to FRS 2: Share-based Payment Vesting Conditions and Cancellations  
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations  
Amendments to FRS 7: Financial Instruments: Disclosures  
Amendments to FRS 8: Operating Segments  
Amendments to FRS 107: Statement of Cash Flows  
Amendments to FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors  
Amendments to FRS 110: Events After the Balance Sheet Date  
Amendments to FRS 116: Property, Plant and Equipment  
Amendments to FRS 117: Leases  
Amendments to FRS 118: Revenue  
Amendments to FRS 119: Employee Benefits  
Amendments to FRS 120: Accounting for Government Grants and Disclosure of Government Assistance  
Amendments to FRS 123: Borrowing Costs  
Amendments to FRS 127: Consolidated and Separate Financial Statements  
Amendments to FRS 128: Investments in Associates  
Amendments to FRS 129: Financial Reporting in Hyperinflationary Economies  
Amendments to FRS 131: Interests in Joint Ventures  
Amendments to FRS 132: Financial Instruments: Presentation  
Amendments to FRS 134: Interim Financial Reporting  
Amendments to FRS 136: Impairment of Assets  
Amendments to FRS 138: Intangible Assets  
Amendments to FRS 139: Financial Instruments: Recognition and Measurement  
Amendments to FRS 140: Investment Property



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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**

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

#### **2. Summary of significant accounting policies (contd.)**

IC Interpretation 9: Reassessment of Embedded Derivatives  
IC Interpretation 10: Interim Financial Reporting and Impairment  
IC Interpretation 11: FRS 2 Group and Treasury Share Transactions  
IC Interpretation 13: Customer Loyalty Programmes  
IC Interpretation 14: FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction  
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

Other than the implications as disclosed below, the adoption of the above FRSs, IC Interpretations and Amendments do not have any material impact on the financial statements of the Group:

- (a) **FRS 8: Operating Segments**  
FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity’s chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports.
- (b) **FRS 101: Presentation of financial statements**  
FRS 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. All non-owner changes in equity are required to be presented in the statement of comprehensive income.
- (c) **FRS 139: Financial instruments: Recognition and measurement**  
FRS 139 establishes principles for recognition and measurement of financial instruments. A financial asset or financial liability shall be recognised in its statement of financial position when and only when the Group becomes a party to the contractual provisions of the instrument. As allowed under the transitional provisions of FRS 139, the Group has not applied the standard retrospectively. In accordance with FRS 139, the Group has recognised impairment for Trade receivables amounting to RM 200,000 which have been adjusted to the opening Revenue reserves.

#### **3. Auditor's report on preceding annual financial statements**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2009.

#### **4. Seasonal or cyclical factors**

The Group's operations were not significantly affected by seasonal or cyclical factors.

#### **5. Unusual items**

There were no significant unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter.



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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**

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

#### **6. Material changes in estimates**

There were no changes in estimates of amounts that have had a material effect in the current financial quarter results.

#### **7. Debt and equity securities**

Save as disclosed in Note 25, there were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

#### **8. Dividends paid**

Dividends paid on 22 April 2010 were declared on 8 April 2010, in respect of the financial year ended 31 December 2009 being tax-exempt dividend of 2.5%, on 107,000,000 ordinary shares, amounting to RM2,675,000.

#### **9. Segmental reporting**

Segmental information in respect of the Group’s business segments comprising sales of cables and conductors, and project sales (which include supply and installation of power cables and wires and commissioning services) is presented as follows:

Three months financial period ended 31 March 2010

	Sales of cables and conductors RM’000	Project sales RM’000	Total RM’000
Sales to external customers	<u>26,577</u>	<u>-</u>	<u>26,577</u>
Segment assets	<u>*</u>	<u>*</u>	<u>*</u>
Profit before tax	<u>1,235</u>	<u>-</u>	<u>1,235</u>

\*The Group’s assets are used for both segments, therefore the assets are not segregated between different segments.

This is the first interim financial report on the consolidated results of the Group announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad as the Company will be listed on 25 May 2010. As such, there are no comparative figures for the preceding year’s corresponding period.

#### **10. Carrying amounts of revalued assets**

The valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the financial year ended 31 December 2009.



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

**11. Material events subsequent to the end of the financial period**

Save as disclosed under Note 25 (a) of Part B, there were no material events subsequent to the end of the current reporting quarter that have not been reflected in the financial statements for the current quarter under review.

**12. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**13. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets as at the end of the current financial quarter.

**14. Capital commitments**

The capital commitments of the Group as at 31 March 2010 are as follow:

	As at 31 March 2010 RM'000
Commitments in respect of capital expenditure:	
Approved and contracted for	6,131
Approved but not contracted for	635
	<u>6,766</u>

**15. Capital expenditure**

There were no major additions and disposals of property, plant and equipment during the current quarter and financial year-to-date.





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

**16. Significant related party transactions**

Related parties are those defined under FRS 124: Related Party Disclosures. The Directors are of the opinion that the related party transactions and balances described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than those available to other third parties.

	Current year to date 31 March 2010 RM'000	Balance due from/(to) As at 31 March 2010 RM'000
(a) Transactions with subsidiaries of Sarawak Energy Berhad		
Sales:		
Mukah Power Generation Sdn Bhd	2	2
Sarawak Energy Engineering Sdn Bhd	1,783	1,988
Sarwaja Timur Sdn Bhd	143	143
Syarikat SESCO Berhad	11,533	9,712
(b) Transactions with subsidiaries of Leader Universal Holdings Berhad		
Purchases:		
Universal Cable (M) Berhad	7,464	(7,046)
Alpha Industries Sdn Bhd	5,298	(2,679)
Sales:		
Universal Cable (M) Berhad	-	3,440
(c) Transactions with company in which a certain Director has interest:		
Purchase:		
Greatwall Tyre & Battery (Kuching) Sdn Bhd	*	-
Rental:		
Greatwall Tyre & Battery (Sibu) Sdn Bhd	1	-

\* Negligible amount

**17. Disclosure of derivatives**

The Group does not have any outstanding derivatives as at the end of the current financial period.



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**

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

**18. Review of performance**

For the current quarter ended 31 March 2010, the Group recorded a revenue and profit after tax of RM 26.6 million and RM 0.9 million.

**19. Material changes in the profit before tax for the current quarter as compared with the immediate preceding quarter**

No comparative figures are presented for the immediate preceding quarter as this is the first consolidated results of the Group being prepared by the Company.

**20. Prospects for the current year**

In view of the positive outlook for the country's economy for 2010 and given the Group's competitive advantages and its business plans currently being implemented in respect of the development of new products, expansion of our manufacturing facilities and venturing into new businesses, but barring unforeseen circumstances, the Group's performance is expected to be better than that of 2009.

**21. Profit forecast or profit guarantee**

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

**22. Tax expense**

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year	270	-	270	-
Deferred tax	58	-	58	-
	<u>328</u>	<u>-</u>	<u>328</u>	<u>-</u>

The effective tax rate is higher than the statutory tax rate principally due to certain expenses which are not deductible for tax purposes.



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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**

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

#### **23. Sales of unquoted investments and/or properties**

There were no sales of unquoted investments and/or properties during the current financial quarter.

#### **24. Quoted securities**

There was no purchase or disposal of quoted securities during the current financial quarter and financial year-to-date under review. The Group did not hold any quoted securities as at 31 March 2010.

#### **25. Corporate proposals**

##### **(a) Status of corporate proposals - Initial Public Offering ("IPO")**

On 6 May 2010, the Company issued a prospectus for the offer for sale of 19,000,000 Shares by way of private placement to Bumiputra investors approved by the Ministry of International Trade and Industry and public issue of 13,000,000 new Shares at an offer/issue price of RM0.70 per Share in conjunction with its listing on the Main Market of Bursa Securities.

The entire enlarged issued and paid-up share capital of the Company of RM60,000,000 comprising 120,000,000 Shares is expected to be listed on the Main Market of Bursa Securities on 25 May 2010.

##### **(b) Status of utilisation of proceeds**

The gross proceeds from the public issue of approximately RM 9.1 million shall be utilised in the following manner:

Purpose	Proceeds	Estimated timeframe for utilisation from date of listing
	RM'000	
(i) Purchase of machinery and equipment	3,471	Within 24 months
(ii) Investment in new subsidiary companies	2,000	Within 24 months
(iii) Additional investment in Sarawak Power Solutions Sdn Bhd <sup>(1)</sup>	765	Within 12 months
(iv) Estimated listing expenses	2,100	Within 6 months
(v) Working capital	764	Within 6 months
	<u>9,100</u>	

*Note:*

(1) *Sarawak Power Solutions Sdn Bhd is 51% owned by the Company. The Company intends to utilise the proceeds to maintain its existing 51% equity interest in Sarawak Power Solutions Sdn Bhd by subscribing for additional shares in Sarawak Power Solutions Sdn Bhd.*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**

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

**26. Borrowings and debt securities**

There were no borrowings and debt securities by the Group as at the end of the current financial quarter.

**27. Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at 19 May 2010.

**28. Changes in material litigation**

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

**29. Dividends**

No interim ordinary dividend has been declared for the financial period ended 31 March 2010.

**30. Earnings per share**

(a) Basic

The basic earnings per share for the current financial quarter and current financial year-to-date are computed as follows:

	Current year quarter 31 March 2010	Current year year to date 31 March 2010
Profit attributable to equity holders of the Company (RM'000)	917	917
Weighted average number of ordinary shares in issue (‘000)	107,000	107,000
Basic earnings per shares (sen)	<u>0.86</u>	<u>0.86</u>

(b) Diluted

The Group has no potential ordinary shares in issue as at the balance sheet date and therefore, diluted earnings per share is presented as equal to basic earnings per share.

**31. Authorised for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 May 2010.

By order of the Board

Teoh Wen Jinq  
Joint Company Secretary  
20 May 2010