



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

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

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.12.2010 RM'000	Preceding year corresponding quarter 31.12.2009 RM'000	Current year to date 31.12.2010 RM'000	Preceding year corresponding period 31.12.2009 RM'000
Revenue		53,786	-	130,852	-
Cost of sales		(47,000)	-	(117,909)	-
Gross profit		6,786	-	12,943	-
Other operating expenses		(3,188)	-	(6,983)	-
Other operating income		1,498	-	2,025	-
Results from operating activities		5,096	-	7,985	-
Interest expense		(203)	-	(212)	-
Interest income		68	-	154	-
Profit before tax		4,961	-	7,927	-
Tax expense	22	(858)	-	(1,707)	-
Profit for the period		4,103	-	6,220	-
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		4,103	-	6,220	-
<b>Profit attributable to:</b>					
Equity holders of the company		3,276	-	5,433	-
Minority interests		827	-	787	-
		4,103	-	6,220	-
<b>Total comprehensive income attributable to:</b>					
Equity holders of the company		3,276	-	5,433	-
Minority interests		827	-	787	-
		4,103	-	6,220	-
<b>Earnings per share attributable to the equity holders of the company:</b>					
Basic (sen)	30	2.71	-	4.71	-
Diluted (sen)	30	2.71	-	4.71	-

**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 fourth 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 was 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 YEAR ENDED 31 DECEMBER 2010**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited</b> <b>As at</b> <b>31.12.2010</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31.12.2009</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	55,194	34,655
Prepaid land lease payments	9,006	2,833
Intangible asset	7	-
	<u>64,207</u>	<u>37,488</u>
<b>Current assets</b>		
Inventories	30,960	17,606
Trade and other receivables	129,907	31,340
Cash and cash equivalents	10,644	4,444
	<u>171,511</u>	<u>53,390</u>
<b>TOTAL ASSETS</b>	<u>235,718</u>	<u>90,878</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	30,200	16,200
Share premium	10,590	24
Revaluation reserve	452	452
Revenue reserve	65,337	62,779
	<u>106,579</u>	<u>79,455</u>
Minority interests	11,145	240
<b>Total equity</b>	<u>117,724</u>	<u>79,695</u>
<b>Non-current liability</b>		
Deferred tax liability	6,418	2,226
	<u>6,418</u>	<u>2,226</u>
<b>Current liabilities</b>		
Borrowings	6,503	-
Trade and other payables	104,308	8,792
Tax payable	765	165
	<u>111,576</u>	<u>8,957</u>
<b>Total liabilities</b>	<u>117,994</u>	<u>11,183</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>235,718</u>	<u>90,878</u>
Net assets per share attributable to ordinary equity holders of the Company <sup>(b)</sup> (sen)	79	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 135,000,000 (2009: 107,000,000) ordinary shares of RM0.50 each in the Company ("Shares").*



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

	Note	← Attributable to equity holders of the Company →				Total	Minority interests	Total equity
		Share capital	← Non distributable →	Distributable				
		RM'000	Share premium RM'000	Revaluation reserve RM'000	Revenue reserve 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	2 (c)	-	-	-	(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 year		-	-	-	5,433	5,433	787	6,220
Transactions with owners:								
Shares issued for cash		9,000	6,100	-	-	15,100	-	15,100
Acquisition of subsidiary company:								
Shares issued for acquisition		5,000	7,000	-	-	12,000	-	12,000
Minority interests		-	-	-	-	-	10,118	10,118
Listing expenses	25 (c)	-	(2,534)	-	-	(2,534)	-	(2,534)
Dividends on ordinary shares	8	-	-	-	(2,675)	(2,675)	-	(2,675)
At 31 December 2010		<u>30,200</u>	<u>10,590</u>	<u>452</u>	<u>65,337</u>	<u>106,579</u>	<u>11,145</u>	<u>117,724</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 fourth 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 was 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 YEAR ENDED 31 DECEMBER 2010**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current year to date 31.12.2010 RM'000</b>	<b>Preceding year corresponding period 31.12.2009 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	7,927	-
Adjustments for:		
Non-cash items and non-operating items	3,015	-
Negative goodwill on acquisition	(814)	-
Operating profit before working capital changes	<u>10,128</u>	<u>-</u>
Changes in working capital	325	-
Cash generated from operations	<u>10,453</u>	<u>-</u>
Tax paid	(1,162)	-
Interest expense	(51)	-
Net cash generated from operating activities	<u>9,240</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,260)	-
Proceeds from disposal of property, plant and equipment	58	-
Acquisition of a subsidiary company	(17,062)	-
Interest received	154	-
Net cash used in investing activities	<u>(18,110)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Dividends paid on ordinary shares	(2,675)	-
Proceeds from issuance of shares	15,100	-
Listing expenses	(2,534)	-
Proceeds from borrowings	5,179	-
Net cash generated from financing activities	<u>15,070</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	6,200	-
Cash and cash equivalents at beginning of year	<u>4,444</u>	<u>-</u>
<b>Cash and cash equivalents at end of year</b>	<u>10,644</u>	<u>-</u>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	5,599	-
Deposit with licensed banks	5,045	-
Cash and cash equivalents	<u>10,644</u>	<u>-</u>

**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 fourth 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 was 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 YEAR ENDED 31 DECEMBER 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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**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 does 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 has been adjusted against the opening revenue reserve.

**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, other than the acquisition of a subsidiary company as disclosed under Note 12.



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**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. Dividend paid**

Dividend paid on 22 April 2010 was 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:

Twelve months financial year ended 31 December 2010:

	Sales of cables and conductors	Sales of galvanized steel and transmission tower	Project sales	Others	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Sales to external customers	<u>115,847</u>	<u>1,564</u>	<u>13,441</u>	<u>-</u>	<u>130,852</u>
Segment results	<u>5,216</u>	<u>511</u>	<u>3,312</u>	<u>(1,714)</u>	<u>7,325</u>
Negative goodwill on consolidation					814
Finance costs					(212)
Profit before tax					<u><u>7,927</u></u>

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

This is the fourth 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 was listed on 25 May 2010. As such, there are no comparative figures for the preceding year’s corresponding period.



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

**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.

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

Save as disclosed under Note 25 (a) and (b) 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**

With the completion of the corporate proposal as disclosed in Note 25 (b), Sarwaja Timur Sdn Bhd (“Sarwaja”) became a subsidiary of the Group in the quarter under review and Sarwaja was included in the Group effective 20 October 2010 by virtue of management control obtained by the Company in Sarwaja.

Sarwaja is an unlisted company incorporated in Malaysia and is involved in the manufacture, fabrication, galvanizing and sale of steel structures and products.

The fair values of identifiable assets and liabilities of Sarwaja as at the date of acquisition were:

	Fair value	Carrying amount
	RM'000	RM'000
Property, plant and equipment	21,842	16,676
Prepaid land lease payments	6,265	3,839
Intangible assets	7	7
Investment in subsidiary	11	11
Inventories	17,437	17,437
Trade and other receivables	51,412	52,416
Cash and cash equivalents	477	477
	<u>97,451</u>	<u>90,863</u>
Borrowings	1,324	1,324
Trade and other payables	45,700	46,070
Tax payable	314	314
Deferred tax liability	3,932	2,034
Provision for rectification cost	1,700	-
Provision for legal claims	4,010	-
	<u>56,980</u>	<u>49,742</u>
Net identifiable assets	<u>40,471</u>	<u>41,121</u>





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

**12. Changes in the composition of the Group (contd.)**

Total cost of business combination is as follows:

	RM'000
Cash paid	16,837
10,000,000 ordinary shares issued at RM 1.20 each	12,000
Directly attributable professional fees	702
	<u>29,539</u>

As part of the cost of business combination, the Company issued 10,000,000 ordinary shares with a fair value of RM 1.20 each, being the published price of the shares at the date of exchange to the vendor.

The effect of the acquisition on cash flows is as follows:

	RM'000
Total cost of business combination	29,539
Less: Non-cash consideration	<u>(12,000)</u>
Consideration settled in cash	17,539
Less: Cash and cash equivalents of subsidiary acquired	<u>(477)</u>
Net cash outflow on acquisition	<u>17,062</u>

Negative goodwill on acquisition:

	RM'000
Fair value of net identifiable assets	40,471
Less: Minority interest	<u>(10,118)</u>
Group's interest in fair value of net identifiable assets	30,353
Cost of business combination	<u>(29,539)</u>
Negative goodwill on acquisition	<u>814</u>

Impact of acquisition in Statement of comprehensive income

From the date of acquisition, Sarwaja has contributed RM 2.5 million to the Group's profit net of tax. If the combination had taken place at the beginning of the financial year, the Group's profit net of tax would have been RM 3.9 million.

**13. Contingent liabilities and contingent assets**

As disclosed under Note 12, a provision for a legal claim which is a contingent liability, has been taken up in line with requirements under FRS 3 Business Combination. Other than that, there were no contingent liabilities or contingent assets as at the end of the current financial quarter.



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

**14. Capital commitments**

The capital commitments of the Group as at 31 December 2010 were as follows:

	As at 31 December 2010 RM'000
Commitments in respect of capital expenditure:	
Approved and contracted for	593
Approved but not contracted for	8,757
	<u>9,350</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, other than an increase in property, plant and equipment by RM 21.8 million as a result of the acquisition of a subsidiary company and addition of property, plant and equipment by RM 0.8 million by another subsidiary company.

**16. Significant related party transactions**

In addition to the corporate proposal as disclosed in Note 25 (b), the following significant transactions between the Group and related parties took place on mutually agreed terms.

	Current year to date 31 December 2010 RM'000	Balance due from/(to) As at 31 December 2010 RM'000
(a) Transactions with subsidiaries of Sarawak Energy Berhad		
Sales:		
Sarawak Energy Engineering Sdn Bhd	298	2,051
Syarikat SESCO Berhad	28,025	21,287
(b) Transactions with subsidiaries of Leader Universal Holdings Berhad		
Purchases:		
Universal Cable (M) Berhad	20,657	(22,235)
Alpha Industries Sdn Bhd	2,820	(1,722)
(c) Transactions with Austin Corp. (M) Sdn Bhd – project management fees	9,680	(3,182)
(d) Transactions with fellow subsidiary company Sarwaja Timur Sdn Bhd	1,327	-



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

**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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**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 December 2010, the Group recorded a revenue and profit after tax of RM 53.8 million and RM 4.1 million respectively.

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

The Group's profit before tax for the current reporting quarter ended 31 December 2010 was RM 4.9 million as compared to RM 1.1 million for the immediate preceding quarter. The better performance in the current reporting quarter is mainly due to contribution from the new subsidiary as disclosed in Note 12.

**20. Prospects for next financial year**

Barring unforeseen circumstances, the Group anticipates improving performance for the financial year ending 31 December 2011.

**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 31 December 2010 RM'000	Preceding year corresponding quarter 31 December 2009 RM'000	Current year to date 31 December 2010 RM'000	Preceding year corresponding period 31 December 2009 RM'000
Malaysian taxation				
Current year	965	-	1,627	-
Deferred tax	72	-	259	-
	<u>1,037</u>	<u>-</u>	<u>1,886</u>	<u>-</u>
Over provision in prior years	(179)	-	(179)	-
	<u>858</u>	<u>-</u>	<u>1,707</u>	<u>-</u>

The effective tax rate for the current reporting quarter and year ended 31 December 2010 is lower than the statutory tax rate principally due to utilisation of current year capital allowances.



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**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 December 2010.

**25. Corporate proposals**

**(a) Status of corporate proposal - 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 was listed on the Main Market of Bursa Securities on 25 May 2010.

**(b) Status of corporate proposal - Proposed acquisition of Sarwaja Timur Sdn Bhd ("STSB")**

On 20 October 2010 the Company announced that it had entered into a Conditional Sale and Purchase Agreement to acquire 24,963,375 ordinary shares of RM1.00 each in Sarwaja Timur Sdn Bhd ("STSB") from Sarawak Energy Berhad and Syarikat SESCo Berhad, representing 75% equity interests in STSB, for a total consideration of RM28,875,000 to be satisfied via issuance of 10,000,000 new ordinary shares of RM0.50 each in the Company ("Consideration Shares") at an issue price of RM1.2038 per Share and the balance via cash payment of RM16,837,000 ("Proposed Acquisition").

On event date, the Company also announced that it is proposing to undertake a private placement of up to 5,000,000 Shares ("Placement Shares"), representing up to 4% of the issued and paid-up share capital of the Company ("Proposed Private Placement").

As previously announced, the Proposed Acquisition and Proposed Private Placement were approved by the shareholders of the Company.

With the completion of the Proposed Private Placement and settlement of the purchase price of the Proposed Acquisition, the corporate proposal is thereby completed.



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

**25. Corporate proposals (contd.)**

**(c) Status of utilisation of proceeds**

The gross proceeds from the public issue of approximately RM 9.1 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)	Purchase of machinery and equipment	3,471	-	-	3,471	Within 24 months	No utilisation has yet been made
(ii)	Investment in new subsidiary companies	2,000	1,000	-	1,000	Within 24 months	RM 1.0 million was utilised to settle part of Purchase Price for the Proposed Acquisition
(iii)	Additional investment in Sarawak Power Solutions Sdn Bhd <sup>(1)</sup>	765	-	-	765	Within 12 months	No utilisation has yet been made
(iv)	Estimated listing expenses	2,100	2,534	(434)	-	Within 6 months	Utilisation is completed
(v)	Working capital	764	330	434	-	Within 6 months	Reallocated to listing expenses under (iv) due to additional expenses incurred. Utilisation is completed.
		<u>9,100</u>	<u>3,864</u>		<u>5,236</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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**26. Borrowings and debt securities**

The Group borrowings as at 31 December 2010 were as follows:

	As at 31 December 2010 RM'000
Secured short term borrowings	1,613
Unsecured short term borrowings	4,890
	<u>6,503</u>

**27. Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at 20 February 2011.

**28. Changes in material litigation**

There were no material litigation during the current financial period up to the date of this quarterly report, other than as disclosed under Note 13.

**29. Dividends**

No interim ordinary dividend has been declared for the financial year ended 31 December 2010.

**30. Earnings per share**

(a) Basic

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

	Current year quarter 31 December 2010	Current year to date 31 December 2010
Profit attributable to equity holders of the Company (RM'000)	3,276	5,433
Weighted average number of ordinary shares in issue ('000)	120,761	115,312
Basic earnings per shares (sen)	<u>2.71</u>	<u>4.71</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.



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**31. Realised and unrealised profits disclosure**

Total revenue reserve may be analysed as follows:

	As at 31 December 2010 RM'000	As at 30 September 2010 RM'000
Realised	65,596	62,248
Unrealised	(259)	(187)
	<u>65,337</u>	<u>62,061</u>

**32. 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 21 February 2011.

By order of the Board

Teoh Wen Jinq  
Joint Company Secretary  
21 February 2011