



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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.03.2011 RM'000	Preceding year corresponding quarter 31.03.2010 RM'000	Current year to date 31.03.2011 RM'000	Preceding year corresponding period 31.03.2010 RM'000
Revenue		83,659	26,577	83,659	26,577
Cost of sales		(76,105)	(24,121)	(76,105)	(24,121)
Gross profit		7,554	2,456	7,554	2,456
Other operating expenses		(2,300)	(1,233)	(2,300)	(1,233)
Other operating income		135	6	135	6
Results from operating activities		5,389	1,229	5,389	1,229
Interest expense		(76)	-	(76)	-
Interest income		27	6	27	6
Profit before tax		5,340	1,235	5,340	1,235
Tax expense	22	(1,255)	(328)	(1,255)	(328)
Profit for the period		4,085	907	4,085	907
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		4,085	907	4,085	907
<b>Profit attributable to:</b>					
Equity holders of the company		3,415	917	3,415	917
Minority interests		670	(10)	670	(10)
		4,085	907	4,085	907
<b>Total comprehensive income attributable to:</b>					
Equity holders of the company		3,415	917	3,415	917
Minority interests		670	(10)	670	(10)
		4,085	907	4,085	907
<b>Earnings per share attributable to the equity holders of the company:</b>					
Basic (sen)	30	2.53	0.86	2.53	0.86
Diluted (sen)	30	2.53	0.86	2.53	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 2010 and the accompanying explanatory notes attached to the interim financial statements.*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As at 31.03.2011 RM'000</b>	<b>Audited As at 31.12.2010 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	55,718	55,200
Prepaid land lease payments	8,963	9,008
	<u>64,681</u>	<u>64,208</u>
<b>Current assets</b>		
Inventories	26,160	30,960
Trade and other receivables	123,209	129,228
Other current assets	3,962	6,569
Cash and cash equivalents	9,439	10,698
	<u>162,770</u>	<u>177,455</u>
<b>TOTAL ASSETS</b>	<u><u>227,451</u></u>	<u><u>241,663</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Borrowings	15,779	6,503
Trade and other payables	81,812	100,467
Other current liabilities	-	9,788
Tax payable	2,124	1,195
	<u>99,715</u>	<u>117,953</u>
<b>Net current assets</b>	<u>63,055</u>	<u>59,502</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	5,833	5,892
<b>Total liabilities</b>	<u>105,548</u>	<u>123,845</u>
<b>Net assets</b>	<u>121,903</u>	<u>117,818</u>
<b>Equity attributable to equity holders of the Company</b>		
Share capital	67,500	67,500
Reverse acquisition reserve	(37,300)	(37,300)
Share premium	10,590	10,590
Revaluation reserve	452	452
Revenue reserves	68,825	65,410
	<u>110,067</u>	<u>106,652</u>
Minority interests	11,836	11,166
<b>Total equity</b>	<u>121,903</u>	<u>117,818</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>227,451</u></u>	<u><u>241,663</u></u>
Net assets per share attributable to ordinary equity holders of the Company <sup>(b)</sup> (sen)	82	79

**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 2010 and the accompanying notes attached to the interim financial statements.*
- (b) *Computed based on 135,000,000 (2010: 135,000,000) ordinary shares of RM0.50 each in the Company ("Shares").*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the Company →					Total	Minority interests	Total equity
	Share capital	Reverse acquisition reserve	← Non distributable →		Distributable			
	RM'000	RM'000	Share premium RM'000	Revaluation reserve RM'000	Revenue reserves RM'000	RM'000	RM'000	RM'000
At 1 January 2011	67,500	(37,300)	10,590	452	65,410	106,652	11,166	117,818
Total comprehensive income for the period	-	-	-	-	3,415	3,415	670	4,085
At 31 March 2011	<u>67,500</u>	<u>(37,300)</u>	<u>10,590</u>	<u>452</u>	<u>68,825</u>	<u>110,067</u>	<u>11,836</u>	<u>121,903</u>
At 1 January 2010	53,500	(37,300)	24	452	62,779	79,455	240	79,695
Effects of adopting FRS 139	-	-	-	-	(200)	(200)	-	(200)
	<u>53,500</u>	<u>(37,300)</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>53,500</u>	<u>(37,300)</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 2010 and the accompanying explanatory notes attached to the interim financial statements.*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current year to date 31.03.2011 RM'000</b>	<b>Preceding year corresponding period 31.03.2010 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	5,340	1,235
Adjustments for:		
Non-cash items and non-operating items	1,276	495
Operating profit before working capital changes	6,616	1,730
Changes in working capital	(15,025)	(259)
Cash (used in)/generated from operations	(8,409)	1,471
Tax paid	(385)	(151)
Interest expense	(52)	-
Net cash (used in)/generated from operating activities	(8,846)	1,320
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,715)	(221)
Interest received	26	6
Net cash used in investing activities	(1,689)	(215)
<b>Cash flows from financing activity</b>		
Proceeds from borrowings	9,276	-
Net cash generated from financing activity	9,276	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,259)	1,105
Cash and cash equivalents at beginning of period	10,698	4,444
<b>Cash and cash equivalents at end of period</b>	<b>9,439</b>	<b>5,549</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	4,094	2,449
Deposit with licensed banks	5,345	3,100
Cash and cash equivalents	9,439	5,549

**Notes:**

- (a) *The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.*



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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011**

### **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 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

Except as described below, the significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 31 December 2010 of the Group.

On 1 January 2011, the Group adopted the following FRSs and interpretations:

- Amendments to FRS 132 *Classification of Rights Issues*
- FRS 1 *First-time Adoption of Financial Reporting Standards*
- FRS 3 *Business Combinations (revised)*
- Amendments to FRS 2 *Share-based Payment*
- Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 127 *Consolidated and Separate Financial Statements*
- Amendments to FRS 138 *Intangible Assets*
- Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*
- IC Interpretation 12 *Service Concession Arrangements*
- IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17 *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 15 *Agreements for the Construction of Real Estate*
- Technical Release 3 *Guidance on Disclosures of Transition to IFRS*
- Amendments to FRSs “*Improvements to FRSs (2010)*”
- Amendments to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 1 *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions*
- Amendments to FRS 7 *Improving Disclosures about Financial Instruments*
- Amendments to IC Interpretation 13 “*Improvements to FRSs (2010)*”
- IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*
- IC Interpretation 18 *Transfers of Assets from Customers*
- Technical Release i-4 *Shariah Compliant Sale Contract*

The application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

The following FRS and IC Interpretations have been issued by the Malaysian Accounting Standards Board but are not yet effective, and have yet to be adopted by the Group.

- Amendments to IC Interpretation 14 *Prepayments of a Minimum Funding Requirement*
- IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*



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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.)**

The following FRS and IC Interpretations have been issued by the Malaysian Accounting Standards Board but are not yet effective, and have yet to be adopted by the Group. (contd.)

- FRS 124 *Related Party Disclosures*
- IC Interpretation 15 *Agreements for the Construction of Real Estate*

**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 2010.

**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.

**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**

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.



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

**8. Dividend paid**

The Board of Directors has recommended a first and final dividend of 3.0 sen per ordinary share, tax exempt, in respect of the financial year ended 31 December 2010, payable on 28 July 2011 to depositors whose names appear in the Record of Depositors in 4 July 2011, for approval by the shareholders at the forthcoming Annual General Meeting.

**9. Segmental reporting**

Segmental information in respect of the Group’s business segments comprising sales of cables and conductors, sales of galvanized steel and transmission tower and project sales is presented as follows:

Three months financial period ended 31 March 2011:

	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	36,293	7,958	39,408	-	83,659
Segment results	1,854	1,048	2,619	(105)	5,416
Finance costs					(76)
Profit before tax					5,340

Three months financial period ended 31 March 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	26,577	-	-	-	26,577
Segment results	1,275	-	-	(40)	1,235
Finance costs					-
Profit before tax					1,235

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



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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 2010.

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

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 2011 were as follows:

	As at 31 March 2011 RM'000
Commitments in respect of capital expenditure:	
Approved and contracted for	4,155
Approved but not contracted for	4,696
	<hr/>
	8,851

**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 addition of property, plant and equipment by RM 1.7 million.





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

**16. Significant related party transactions**

The following significant transactions between the Group and related parties took place on mutually agreed terms.

	Current year to date 31 March 2011 RM'000	Balance due from/(to) As at 31 March 2011 RM'000
(a) Transactions with subsidiaries of Sarawak Energy Berhad		
Construction of transmission lines:		
Sarawak Energy Berhad	3,329	3,868
Syarikat SESCO Berhad	12,178	30,840
Sales:		
Sarawak Energy Engineering Sdn. Bhd.	175	1,340
Syarikat SESCO Berhad	5,658	5,670
(b) Transactions with subsidiaries of Leader Universal Holdings Berhad		
Purchases:		
Alpha Industries Sdn. Bhd.	3,211	(617)
Universal Cable (M) Berhad	19,791	(25,785)
(c) Transactions with Austin Corp. (Malaysia) Sdn. Bhd.		
Project management fees	14,520	(13,591)
(d) Transactions with Trenergy Infrastructure Sdn. Bhd.		
Project management fees	611	(611)
Sales	11,766	11,766

**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**

The Group recorded a revenue of RM 83.7 million for the current reporting quarter ended 31 March 2011, an increase of 214.8% as compared to RM 26.6 million for the corresponding quarter ended 31 March 2010 and achieved a profit after tax of RM 4.1 million in the current reporting quarter, an increase of 350.4% as compared to RM 0.9 million for the corresponding quarter ended 31 March 2010. The increase in revenue and profit after tax was mainly due to inclusion of results of a new subsidiary.

**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 March 2011 was 7.8% higher at RM 5.4 million as compared to RM 4.9 million for the immediate preceding quarter.

**20. Prospects for next financial year**

Barring unforeseen circumstances, the Group anticipates continuous growth in revenue and profitability for the current financial year 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 March 2011 RM'000	Preceding year corresponding quarter 31 March 2010 RM'000	Current year to date 31 March 2011 RM'000	Preceding year corresponding period 31 March 2010 RM'000
Malaysian taxation				
Current year	1,314	270	1,314	270
Deferred tax	(59)	58	(59)	58
	<u>1,255</u>	<u>328</u>	<u>1,255</u>	<u>328</u>

The effective tax rate for the current reporting quarter and year ended 31 March 2011 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 March 2011.

**25. Corporate proposals**

**(a) 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	663	-	2,808	Within 24 months	RM 0.7 million was utilised.
(ii)	Investment in new subsidiary companies	2,000	1,000	-	1,000	Within 24 months	RM 1.0 million was utilised in 2010.
(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>4,527</u>		<u>4,573</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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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**26. Borrowings and debt securities**

The Group borrowings as at 31 March 2011 were as follows:

	As at 31 March 2011 RM'000
Secured short term borrowings	9,575
Unsecured short term borrowings	6,204
	<u>15,779</u>

**27. Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at 26 May 2011.

**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 year ended 31 December 2011.

**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 March 2011	Current year to date 31 March 2011
Profit attributable to equity holders of the Company (RM'000)	3,415	3,415
Weighted average number of ordinary shares in issue ('000)	135,000	135,000
Basic earnings per shares (sen)	<u>2.53</u>	<u>2.53</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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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**31. Realised and unrealised profits disclosure**

Total revenue reserves may be analysed as follows:

	As at 31 March 2011 RM'000	As at 31 December 2010 RM'000
Realised	77,233	72,891
Unrealised	(1,901)	(1,960)
	<u>75,332</u>	<u>70,931</u>
Less: Consolidation adjustments	(6,507)	(5,521)
	<u><u>68,825</u></u>	<u><u>65,410</u></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 27 May 2011.

By order of the Board

Teoh Wen Jinq  
Joint Company Secretary  
27 May 2011