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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.12.2011 RM'000	Preceding year corresponding quarter 31.12.2010 RM'000	Current year to date 31.12.2011 RM'000	Preceding year corresponding period 31.12.2010 RM'000
Revenue		106,286	52,458	368,310	129,525
Cost of sales		(99,526)	(45,316)	(332,547)	(116,225)
Gross profit		6,760	7,142	35,763	13,300
Other operating expenses		(5,625)	(4,050)	(12,804)	(7,845)
Other operating income		1,537	2,035	1,985	2,561
Results from operating activities		2,672	5,127	24,944	8,016
Interest expense		(324)	(264)	(733)	(273)
Interest income		4	97	105	183
Profit before tax		2,352	4,960	24,316	7,926
Tax expense	22	626	(763)	(5,029)	(1,612)
Profit for the period		2,978	4,197	19,287	6,314
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		2,978	4,197	19,287	6,314
Profit attributable to:					
Equity holders of the company		2,788	3,349	15,514	5,506
Non-controlling interests		190	848	3,773	808
		2,978	4,197	19,287	6,314
Total comprehensive income attributable to:					
Equity holders of the company		2,788	3,349	15,514	5,506
Non-controlling interests		190	848	3,773	808
		2,978	4,197	19,287	6,314
Earnings per share attributable to the equity holders of the company:					
Basic (sen)	27	2.06	3.11	11.49	4.78
Diluted (sen)	27	2.06	3.11	11.49	4.78

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.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31.12.2011 RM'000	Audited As at 31.12.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	56,447	55,200
Prepaid land lease payments	7,940	9,008
	64,387	64,208
Current assets		
Inventories	32,333	30,960
Trade and other receivables	130,635	129,228
Other current assets	22,276	6,569
Tax recoverable	64	-
Cash and cash equivalents	9,284	10,698
	194,592	177,455
Assets held for sale	2,496	-
	197,088	177,455
TOTAL ASSETS	261,475	241,663
EQUITY AND LIABILITIES		
Current liabilities		
Borrowings	37,874	6,503
Trade and other payables	83,812	100,467
Other current liabilities	-	9,788
Tax payable	1,137	1,195
	122,823	117,953
Net current assets	74,265	59,502
Non-current liabilities		
Deferred tax liabilities	5,887	5,892
Total liabilities	128,710	123,845
Net assets	132,765	117,818
Equity attributable to equity holders of the Company		
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	78,532	65,410
	119,774	106,652
Non-controlling interests	12,991	11,166
Total equity	132,765	117,818
TOTAL EQUITY AND LIABILITIES	261,475	241,663
Net assets per share attributable to ordinary equity holders of the Company[b] (sen)	89	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").

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		← Attributable to equity holders of the Company →							
		Share capital	Reverse acquisition reserve	← Non distributable →		Distributable	Total	Non-controlling interests	Total equity
				Share premium	Revaluation reserve	Revenue reserves			
	Note	RM'000	RM'000	RM'000	RM'000	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		-	-	-	-	15,514	15,514	3,773	19,287
Dividends paid on ordinary shares		-	-	-	-	(4,050)	(4,050)	-	(4,050)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(2,500)	(2,500)
Transactions with owners:									
Acquisition of subsidiary company - adjustment on provisional amounts	**12**	-	-	-	-	1,658	1,658	552	2,210
At 31 December 2011		67,500	(37,300)	10,590	452	78,532	119,774	12,991	132,765
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)
		53,500	(37,300)	24	452	62,579	79,255	240	79,495
Total comprehensive income		-	-	-	-	5,506	5,506	808	6,314
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
Non-controlling interests		-	-	-	-	-	-	10,118	10,118
Share issuance expenses		-	-	(2,534)	-	-	(2,534)	-	(2,534)
Dividends on ordinary shares		-	-	-	-	(2,675)	(2,675)	-	(2,675)
At 31 December 2010		67,500	(37,300)	10,590	452	65,410	106,652	11,166	117,818

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.*

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current year to date 31.12.2011 RM'000	Preceding year corresponding period 31.12.2010 RM'000
Cash flows from operating activities		
Profit before tax	24,316	7,926
Adjustments for:		
Amortisation of prepaid land lease payments	162	90
Additional impairment loss on trade receivables	-	464
Amortisation of trade payables	221	(161)
Bad debt written off	1	-
Depreciation of property, plant and equipment	5,132	2,473
Expenses capitalised in prior year expense off	-	10
Impairment in value of investment in a subsidiary	(17)	-
Interest income	(105)	(183)
Interest expense	733	24
Inventories written off	1,044	438
Loss on disposal of property, plant & equipment	27	31
Negative goodwill on acquisition	-	(778)
Reversal of allowance for impairment loss of trade receivables	(891)	(651)
Reversal of allowance for inventories obsolences	-	(187)
Unwinding of discounts	-	249
Unrealised loss on foreign exchange	4	-
Operating profit before working capital changes	30,627	9,745
Changes in working capital:		
(Increase)/decrease in inventories	(2,416)	3,832
Increase in trade and other receivables	(4,685)	(48,832)
Increase in other current assets	(20,280)	(4,216)
(Decrease)/increase in payables	(10,498)	43,276
(Decrease)/increase in other current liabilities	(5,201)	6,689
Total changes in working capital	(43,080)	749
Cash (used in)/generated from operations	(12,453)	10,494
Tax paid	(5,191)	(1,162)
Tax refund	34	-
Interest expense	(733)	(24)
Net cash (used in)/generated from operating activities	(18,343)	9,308
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,998)	(1,267)
Proceeds from disposal of property, plant and equipment	1	58
Investment in subsidiary	-	(17,098)
Interest received	105	183
Net cash used in investing activities	(7,892)	(18,124)

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

	Current year to date 31.12.2011 RM'000	Preceding year corresponding period 31.12.2010 RM'000
Cash flows from financing activities		
Proceeds from borrowings	31,180	5,179
Proceeds from issuance of ordinary shares	-	15,100
Share issuance expense	-	(2,534)
Dividend paid on ordinary shares	(4,050)	(2,675)
Dividends paid to non-controlling interests	(2,500)	-
Net cash generated from financing activities	24,630	15,070
Net (decrease)/increase in cash and cash equivalents	(1,605)	6,254
Cash and cash equivalents at beginning of year	10,698	4,444
Cash and cash equivalents at end of year	9,093	10,698
Cash and cash equivalents comprise the following:		
Cash and bank balances	7,745	3,653
Deposit with licensed banks	1,539	7,045
Bank overdraft	(191)	-
Cash and cash equivalents	9,093	10,698

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.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 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 IC 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*
- 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*
- 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 and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

2. Summary of significant accounting policies (contd.)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

3. Auditors' 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.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

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.

8. **Dividend paid**

Dividend paid on 28 July 2011 in respect of financial year ended 31 December 2010 being a first and final dividend of 3.0 sen per ordinary share, tax exempt, in respect of the financial year ended 31 December 2010, on 135,000,000 ordinary shares, amounting to RM 4,050,000.

Dividend paid on 5 January 2012 in respect of financial year ended 31 December 2011 being an interim single tier dividend of 2.5 sen per ordinary share, in respect of the financial year ended 31 December 2011, on 135,000,000 ordinary shares, amounting to RM 3,375,000.

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:

Twelve months financial year ended 31 December 2011:

	Sales of cables and conductors	Sales of galvanized steel and transmission tower	Contract revenue	Others	Elimination entry	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Sales to external customers	123,487	56,966	187,857	-	-	368,310
Inter-segment sales	406	55	-	-	(461)	-
	123,893	57,021	187,857	-	(461)	368,310
Segment results	7,311	11,902	9,576	(3,740)	-	25,049
Finance costs						(733)
Profit before tax						24,316

9. Segmental reporting (contd.)

Twelve months financial year ended 31 December 2010:

	Sales of cables and conductors	Sales of galvanized steel and transmission tower	Contract revenue	Others	Elimination entry	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Sales to external customers	114,520	2,098	12,907	-	-	129,525
Inter-segment sales	1,327	-	-	-	(1,327)	-
	115,847	2,098	12,907	-	(1,327)	129,525
Segment results	5,201	415	3,535	(1,730)	-	7,421
Negative goodwill on consolidation						778
Finance costs						(273)
Profit before tax						7,926

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

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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

12. Changes in the composition of the Group

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

In the previous quarter ended 30 September 2011, the Group has new information regarding provisional amounts which were recognised at the acquisition date of Sarwaja Timur Sdn. Bhd. ("Sarwaja"). The provisional amounts on rectification cost and legal claims at initial recognition were based on best estimate of information available at the date of acquisition of Sarwaja. The Group has adjusted the current year reserves to reflect the new information on the provisional amounts in accordance with FRS 3 Business Combination (Revised).

Impact on adjustments

As the adjustments are made in the measurement period, a period not exceeding one year from the acquisition date, the Group has reduced trade and other payables by RM2.21 million, increased revenue reserves by RM1.66 million and increased non-controlling interests by RM0.55 million.

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 December 2011 were as follows:

	As at 31 December 2011 RM'000
Commitments in respect of capital expenditure:	
Approved and contracted for	1,561
Approved but not contracted for	3,742
	5,303

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 8.0 million.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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 December 2011 RM'000	Balance due from/(to) As at 31 December 2011 RM'000
(a)	Transactions with subsidiaries of Sarawak Energy Berhad		
	Construction of transmission lines:		
	Sarawak Energy Berhad	61,696	29,538
	Syarikat SESCO Berhad	99,682	33,043
	Sales:		
	Sarawak Energy Engineering Sdn. Bhd.	175	769
	Syarikat SESCO Berhad	23,644	1,702
(b)	Transactions with subsidiaries of Leader Universal Holdings Berhad		
	Purchases:		
	Alpha Industries Sdn. Bhd.	3,818	-
	Universal Cable (M) Berhad	43,705	(16,513)
(c)	Transactions with Austin Corp. (Malaysia) Sdn. Bhd.		
	Project management fees	16,987	(8,529)
(d)	Transactions with Trenergy Infrastructure Sdn. Bhd.		
	Project management fees	141,437	(41,289)
	Sales	55,367	24,931

17. Disclosure of derivatives

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

18. Review of performance

(a) Current quarter as compared with previous year corresponding quarter

The Group recorded a revenue of RM 106.3 million for the current reporting quarter ended 31 December 2011, an increase of 102.6% as compared to RM 52.5 million for the corresponding quarter ended 31 December 2010.

The better performance for the current reporting quarter is mainly contributed by higher sales of steel products segment and revenue recognised from contract revenue segments, which is contributed by several current on-going transmission line projects.

Sales of steel products segment and majority of the contract revenue segment are contributions from a new subsidiary whose results were only included as part of the Group in the final quarter of 2010.

(b) Current year to date as compared with previous year to date

The Group recorded a revenue of RM 368.3 million for the current year ended 31 December 2011, an increase of 184.4% as compared to RM 129.5 million for the previous year ended 31 December 2010. The Group achieved a profit after tax of RM 19.3 million for the current year, an increase of 206.3% as compared to RM 6.3 million for the previous year.

The increase in current year revenue is mainly from sales of steel products segment and revenue recognised from contract revenue segment as compared with previous year with revenue recognised mainly only from sale of cables and conductors segment.

The new subsidiary whose main activities are in the sales of steel products segment and contract revenue segment, which was included as part of the Group has contributed positively to the enlarged Group in year 2011.

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 2011 at RM2.4 million was lower when compared to RM 11.4 million for the immediate preceding quarter. This decrease is mainly due to lower sales of steel products segment which generally has a higher margin.

20. Prospects for next financial year

Overview and outlook of the Malaysian economy

Global economic recovery continued in the third quarter, albeit at a more modest and uneven pace. Global growth outlook has become significantly more uncertain following heightened downside risks. In particular, the possible escalation of the on-going fiscal concerns in the advanced economies could add further strains to the international financial system and undermine the prospects for continued global growth. In the Malaysian economy, the higher growth in the third quarter was underpinned by the stronger domestic demand and an improvement in the external sector arising from firm regional demand. Going forward, the more challenging international environment could present greater downside risks to

20. Prospects for next financial year (contd.)

Overview and outlook of the Malaysian economy (contd.)

Malaysia's growth prospects. Nevertheless, growth in domestic demand is expected to continue to be the anchor of growth, supported by expansion in private consumption and private investment. Public spending and investment activity are also expected to lend support to growth.

*(*Source*: Economic and Financial Developments in Malaysia in the Third Quarter of 2011, BNM)*

Outlook of the utilities and infrastructure sector in Sarawak

Sarawak Corridor of Renewable Energy ("SCORE") is one of the 5 regional development corridors being developed throughout the country. It is undertaken to transform Sarawak into a developed state by year 2020.

The core of SCORE is its energy resources (28,000 megawatts ("MW")), particularly hydropower (20,000 MW), coal (5,000 MW) and others (3,000 MW). This will allow Sarawak to price its energy competitively and encourage investments in power generation and energy-intensive industries that will act as triggers for the development of a vibrant industrial development in the corridor. The total projected investment is RM267 billion (80%) in industries and power while RM67 billion (20%) in physical infrastructure, human capital and institutional infrastructure. At present, SCORE includes investments for energy intensive industries such as 2 smelter projects and a polycrystalline silicon manufacturing plant in the Samalaju Industrial Park. SCORE also include the development of several hydroelectric power generation dams in order to meet the energy demand. Apart from the 2,400 MW Bakun dam, another 12 hydroelectric power generation dams are planned throughout Sarawak. All these dams will push the total generating capacity in Sarawak to 7,000 MW by 2020 which is an increase of more than 600% from the current capacity.

*(*Source*: www.sarawakscore.com.my)*

One of the 6 National Key Result Areas announced by the Government of Malaysia under the Government Transformation Programme ("GTP") is the improvement to rural basic infrastructure to serve the rural population that constitutes about 35% of Malaysians. In Sabah and Sarawak, there are many villages still not connected by roads and more than a quarter of households do not have access to electricity. Upwards of 40% households in Sabah and Sarawak and 12% of households in Peninsular Malaysia lack access to clean or treated water.

Consequently, the Government of Malaysia has embarked on the following aspirations to build more than 7,000 kilometres ("km") of new and upgraded roads, provide 50,000 new and restored houses to the rural poor and hardcore poor (two-thirds of these in Sabah and Sarawak), ensure access to clean or treated water to over 360,000 additional households and provide access to 24-hour electricity to over 140,000 additional households by 2012.

*(*Source*: www.pemandu.gov.my)*

20. Prospects for next financial year (contd.)

Group prospect

With the State Government of Sarawak's aspiration to develop Sarawak into a developed state by the year 2020 coupled with the emphasis on improvement of infrastructures under the GTP and development of the power generation capacity in Sarawak under SCORE, the Group expects to participate in the infrastructures development and also expects that the Group sales of cables and conductors, galvanized steel and transmission tower to increase in the financial year ending 31 December 2012.

Barring any unforeseen circumstances, the Group anticipates improving performance in the financial year ending 31 December 2012.

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 2011 RM’000	Preceding year corresponding quarter 31 December 2010 RM’000	Current year to date 31 December 2011 RM’000	Preceding year corresponding period 31 December 2010 RM’000
Malaysian taxation				
Current year	(275)	1,395	4,813	2,057
(Over)/under provision in respect of previous years	(242)	(179)	220	(179)
Deferred tax	(109)	(453)	(4)	(266)
	(626)	763	5,029	1,612

The effective tax rate for the current reporting quarter and year ended 31 December 2011 is lower than the statutory tax rate principally due to utilisation of current year capital and reinvestment allowances.

23. Corporate proposals

(a) Status of corporate proposal - Proposed acquisitions and Proposed exemption

On 8 August 2011, the Company made announcements in relation to

(i) entering into a Share Sale Agreement to acquire the remaining 25% equity interest in Sarwaja Timur Sdn Bhd not already owned by the Company for a purchase consideration of RM 11.02 million to be satisfied via the issuance of 5,199,530 new ordinary shares of RM 0.50 each in the Company at an issue price of RM 2.12 per the Company's share ("Share") ("STSB SSA");
(ii) entering into a Share Sale Agreement to acquire 65% equity interest in Trenergy Infrastructure Sdn Bhd for a purchase consideration of RM 24.45 million to be satisfied via the issuance of 11,533,020 new ordinary shares of RM 0.50 in the Company at an issue price of RM 2.12 per Share ("TISB SSA"); and
(iii) proposed exemption for Dato Sri Mahmud Abu Bekir Taib and persons acting in concert from the obligation to extend a mandatory offer for all the remaining Company's ordinary shares not already owned by them under paragraph 16.1(a), Practice Note 9 of the Malaysian Code on Take-Overs and Mergers 2010 upon the completion of (i) and (ii) above.

On 14 December 2011, the Company made an announcement that pending clarification sought on the Proposed exemption by certain major shareholders of the Company with their advisers and/or the relevant authorities, the Company expects to complete the corporate proposals by first half of financial year 2012.

On 8 February 2012, the Company made an announcement that the Company and the respective vendors of the corporate proposal had on 7 February 2012, by way of exchange of letters, agreed to an extension of six months from 8 February 2012 to 7 August 2012 for fulfilment of conditions precedent of the STSB SSA and TISB SSA (collectively known as "SSAs"). All terms and conditions in the SSAs remain and continue to be in full force and effect.

The corporate proposal is currently on-going as at the date of this report.

(b) Conditional Shares Sale and Purchase Agreement

On 23 September 2011, the Company made an announcement that the Company on 22 September 2011 entered into a Conditional Shares Sale and Purchase Agreement ("Initial CSPA") with an intention to acquire 65% equity interest in PT Inpola Mitra Elektrindo ("IME"), a limited liability company established under the laws of the Republic of Indonesia, for a total cash consideration of Rp. 15,000,000,000 (Fifteen Billion Rupiah), which is equivalent to approximately RM 5.40 million ("Acquisition").

On 31 January 2012, the Company made an announcement that the Company on 30 January 2012 entered into an Amended and Restated Conditional Sales and Purchase Agreement ("Agreement"). The Agreement is to amend and restate the Initial CSPA in its entirety effective from the date of the Initial CSPA.

23. Corporate proposals (contd.)

(b) Conditional Shares Sale and Purchase Agreement (contd.)

Upon the completion of the Acquisition, the Company shall subscribe 162,500 new shares with a nominal sum of Rp 100,000 in IME at a total subscription price of Rp 162,500,000,000 (One Hundred Sixty Two Billion Five Hundred Million Rupiah) (equivalent to RM 5.5 million) (“Subscription”).

The Acquisition and Subscription are expected to be completed by the first quarter of financial year 2012.

(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	2,799	-	672	Within 24 months	RM2.8 million was utilised.
(ii)	Investment in new subsidiary companies	2,000	2,765	765	-	Within 24 months	Utilisation is completed.
(iii)	Additional investment in Sarawak Power Solutions Sdn. Bhd.[1]	765	-	(765)	-	Within 12 months	Reallocated under (ii).
(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.
		9,100	8,428		672		

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.

24. Borrowings and debt securities

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

	As at 31 December 2011 RM'000
Secured short term borrowings	12,896
Unsecured short term borrowings	24,978
	37,874

25. Changes in material litigation

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

26. Dividends

An interim single tier dividend of 2.5 sen per ordinary share in respect of the financial year ending 31 December 2011 declared on 22 November 2011 was paid on 5 January 2012 to depositors whose names appear in the Record of Depositors on 6 December 2011.

27. 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 2011	Current year to date 31 December 2011
Profit attributable to equity holders of the Company (RM'000)	2,788	15,514
Weighted average number of ordinary shares in issue ('000)	135,000	135,000
Basic earnings per shares (sen)	2.06	11.49

(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.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

28. Realised and unrealised profits disclosure

Total revenue reserves may be analysed as follows:

	As at 31 December 2011 RM’000	As at 31 December 2010 RM’000
Realised	83,404	72,891
Unrealised	(1,955)	(1,960)
	81,449	70,931
Less: Consolidation adjustments	(2,917)	(5,521)
	78,532	65,410

29. 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 February 2012.

By order of the Board

Teoh Wen Jinq
Joint Company Secretary
20 February 2012