



SARAWAK CABLE BERHAD

(456400-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Revenue		79,209	58,510	79,209	58,510
Cost of sales		(73,183)	(52,058)	(73,183)	(52,058)
Gross profit		6,026	6,452	6,026	6,452
Other operating income		1,230	1,237	1,230	1,237
Administrative expenses		(2,649)	(3,308)	(2,649)	(3,308)
Other operating expenses		(1,738)	(1,946)	(1,738)	(1,946)
Operating profit		2,869	2,435	2,869	2,435
Finance costs		(502)	(709)	(502)	(709)
Profit before tax	6	2,367	1,726	2,367	1,726
Income tax expense	7	(1,011)	(448)	(1,011)	(448)
Profit for the period		1,356	1,278	1,356	1,278
Other comprehensive income					
Exchange differences on translation of foreign operation		403	-	403	-
Other comprehensive income for the period, net of tax		403	-	403	-
Total comprehensive income for the period, net of tax		1,759	1,278	1,759	1,278
Profit for the period attributable to:					
Owners of the parent		1,373	1,304	1,373	1,304
Non-controlling interests		(17)	(26)	(17)	(26)
		1,356	1,278	1,356	1,278
Total comprehensive income for the period, net of tax attributable to:					
Owners of the parent		1,689	1,304	1,689	1,304
Non-controlling interests		70	(26)	70	(26)
		1,759	1,278	1,759	1,278
Earnings per share attributable to owners of the parent (sen per share):					
Basic	8	0.49	0.84	0.49	0.84
Diluted	8	0.49	0.84	0.49	0.84

The condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.



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

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31.03.2014 RM'000	31.12.2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	70,270	63,515
Intangible assets	10	28,444	29,104
Prepaid land lease payment		7,416	7,416
Other assets		34,609	32,902
		<u>140,739</u>	<u>132,937</u>
Current assets			
Inventories		55,544	45,096
Trade and other receivables		73,783	75,388
Other current assets		51,103	49,401
Tax recoverable		1,295	1,059
Cash and bank balances	11	64,252	68,983
		<u>245,977</u>	<u>239,927</u>
TOTAL ASSETS		<u><u>386,716</u></u>	<u><u>372,864</u></u>
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	12	67,532	82,132
Trade and other payables		45,469	56,942
Other current liabilities		39,567	1,647
Income tax payable		754	490
		<u>153,322</u>	<u>141,211</u>
Net current assets		<u>92,655</u>	<u>98,716</u>
Non-current liabilities			
Loans and borrowings	12	1,046	1,170
Deferred tax liabilities		6,954	6,848
		<u>8,000</u>	<u>8,018</u>
Total liabilities		<u>161,322</u>	<u>149,229</u>
Net assets		<u>225,394</u>	<u>223,635</u>
Equity attributable to owners of the Company			
Share capital		139,725	139,725
Reverse acquisition reserve		(37,300)	(37,300)
Share premium		46,354	46,354
Foreign currency translation reserves		(880)	(1,196)
Revenue reserves		77,499	76,126
		<u>225,398</u>	<u>223,709</u>
Non-controlling interests		(4)	(74)
Total equity		<u>225,394</u>	<u>223,635</u>
TOTAL EQUITY AND LIABILITIES		<u><u>386,716</u></u>	<u><u>372,864</u></u>
Net assets per share attributable to owners of the Company ^(b) (sen)		81	80

Notes:

- (a) *The condensed consolidated statements of financial position should be read in conjunction with the accompanying notes attached to the interim financial statements.*
- (b) *Computed based on 279,450,000 (2013: 279,450,000) ordinary shares of RM0.50 each of the parent.*



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

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity, total	Attributable to owners of the parent						Non- controlling interests RM'000
		Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Reverse acquisition reserve RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Revenue reserves RM'000	
At 1 January 2013	151,203	151,045	77,625	(37,300)	31,783	(314)	79,251	158
Total comprehensive income	1,278	1,304	-	-	-	-	1,304	(26)
At 31 March 2013	152,481	152,349	77,625	(37,300)	31,783	(314)	80,555	(132)
At 1 January 2014	223,635	223,709	139,725	(37,300)	46,354	(1,196)	76,126	(74)
Total comprehensive income	1,759	1,689	-	-	-	316	1,373	70
At 31 March 2014	225,394	225,398	139,725	(37,300)	46,354	(880)	77,499	(4)

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



SARAWAK CABLE BERHAD

(456400-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Current period to date 31.03.2014 RM'000	Preceding year corresponding period 31.03.2013 RM'000
Operating activities			
Profit before tax		2,367	1,726
Adjustments for:			
Accretion of finance lease		(9)	(13)
Accretion of long term retention sum		(375)	(375)
Amortisation of intangible assets	10	660	909
Amortisation of prepaid land lease payment		-	59
Bad debt recovered		(70)	(6)
Depreciation of property, plant and equipment		1,621	2,822
Gain on bargain purchase		-	-
Gain on disposal of property, plant and equipment		(47)	(52)
Interest expense		502	709
Interest income		(334)	(9)
Inventories written off		24	5
Allowance / (reversal) for impairment loss of trade receivables		162	(273)
(Addition) / reversal of amortisation of trade payables		(128)	54
Operating cash flows before working capital changes		4,373	5,556
Changes in working capital:			
(Decrease)/increase in deposits pledged for borrowings		(70)	6,463
Increase in inventories		(10,472)	(2,375)
Decrease/(increase) in trade and other receivables		300	(2,027)
(Increase)/decrease in other current assets		(1,702)	8,272
(Decrease)/increase in trade and other payables		(11,344)	1,876
Increase/(decrease) in other current liabilities		37,920	(1,045)
Total changes in working capital		14,632	11,164
Cash from operations		19,005	16,720
Interest received		334	9
Interest paid		(502)	(709)
Income taxes paid		(851)	(736)
Net cash from operating activities		17,986	15,284
Investing activities			
Acquisition of other assets		(119)	-
Purchase of property, plant and equipment		(8,376)	(1,323)
Proceeds from disposal of property, plant and equipment		47	188
Net cash used in investing activities		(8,448)	(1,135)



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

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

		Current period to date	Preceding year corresponding period
	Note	31.03.2014 RM'000	31.03.2014 RM'000
Financing activities			
Repayment from borrowings		(14,716)	(8,171)
Net cash used in financing activities		<u>(14,716)</u>	<u>(8,171)</u>
Net (decrease)/increase in cash and cash equivalents			
Effects on exchange rate changes on cash and cash equivalents		378	-
Cash and cash equivalents at 1 January		60,375	13,506
Cash and cash equivalents at 31 March		<u>55,575</u>	<u>19,484</u>
Cash and cash equivalents comprise the following:			
Cash in hand and at banks		12,094	19,249
Deposit with licensed banks		43,481	235
Cash and cash equivalents	11	<u>55,575</u>	<u>19,484</u>

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



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

1. Corporate information

Sarawak Cable Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 27 May 2014.

2. Significant accounting policies

The audited financial statements of the Group for the year ended 31 December 2013 were prepared in accordance with Malaysian Financial Reporting Standards (MFRS). The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2013.

3. Changes in estimates

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



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

4. Segment information

	Sale of power cables and conductors		Sale of galvanised steel products and transmission tower		Contract revenue		Corporate		Total		Adjustments/ elimination		Per condensed consolidated financial statements	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue														
External customers	18,415	17,871	6,790	6,542	54,004	34,097	-	-	79,209	58,510	-	-	79,209	58,510
Inter-segment	2,329	6,335	2,130	453	-	-	1,350	1,350	5,809	8,138	(5,809)	(8,138)	-	-
Total revenue	<u>20,744</u>	<u>24,206</u>	<u>8,920</u>	<u>6,995</u>	<u>54,004</u>	<u>34,097</u>	<u>1,350</u>	<u>1,350</u>	<u>85,018</u>	<u>66,648</u>	<u>(5,809)</u>	<u>(8,138)</u>	<u>79,209</u>	<u>58,510</u>
Segment profit/(loss)	<u>1,077</u>	<u>1,861</u>	<u>884</u>	<u>279</u>	<u>20</u>	<u>(260)</u>	<u>386</u>	<u>(154)</u>	<u>2,367</u>	<u>1,726</u>	<u>-</u>	<u>-</u>	<u>2,367</u>	<u>1,726</u>

Note A

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

	31 March 2014	31 March 2013
	RM'000	RM'000
Segment profit	2,953	2,512
Finance costs	(502)	(709)
Unallocated corporate expenses	(84)	(77)
Profit before tax	<u>2,367</u>	<u>1,726</u>



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

4. Segment information (contd.)

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

- (a) The sale of power cables and conductors segment supplies power cables and conductors components to consumers.
- (b) The sale of galvanised steel products and transmission tower segment supplies galvanised steel products and transmission towers. It also offers galvanising services.
- (c) The contract revenue segment involves supply, installation and commissioning of transmission line projects.
- (d) The corporate segment is involved in Group-level corporate and management services.

There have been no material changes in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

Power cable and conductors

The sale of power cables and conductors segment contributed 23% (31 March 2013: 31%) of the revenue of the Group and is one of the main contributor to the Group’s operating profit in 2014.

The operations for this segment are mainly concentrated in East Malaysia.

Although the segment revenue of RM 18.4 million for the first quarter of 2014 increased when compared to RM 17.9 million for the corresponding quarter in 2013, the segment profit of RM 1.1 million for the first quarter of 2014 has declined slightly when compared to corresponding quarter of 2013. Operating costs have remained fairly consistent with the corresponding quarter of 2013.

The Group remains positive that the demand for power cables and conductors will continue to grow due to anticipated plans by the State of Sarawak under its utilities and infrastructure sector.

Galvanised steel products and transmission tower

The sale of galvanised steel products and transmission tower segment contributed 9% (31 March 2013: 11%) of the revenue of the Group.

The Group’s subsidiary whose sales and services are in this segment, concentrates mainly in East Malaysia. The subsidiary is the leading and one of the established galvanisers in the State of Sarawak.

Operating profit for this segment of RM 0.8 million has increased by 217% as compared to RM 0.3 million in the corresponding quarter of 2013 mainly due to disposal of inventories which were previously provided for inventories obsolescence.

Market demand for products under this segment has shown improvement and the Group is confident that the demand for galvanised steel products and transmission tower will continue to improve.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

4. Segment information (contd.)

Contract revenue

The contract revenue segment is one of the Group’s main source of revenue contributing 68% (31 March 2013: 58%) of the revenue of the Group and is the main contributor to the Group’s revenue in 2013.

Segment revenue of RM 54.0 million for the first quarter of 2014 increased when compared to RM 34.1 million for the corresponding quarter in 2013. Operating costs have remained fairly consistent with the corresponding quarter of 2013.

Segment results for first quarter of 2014 have increased mainly due to profit earned from on-going projects.

The Group remains positive that performance for this segment will continue to improve with the Group’s development plans for the power transmission industry, which includes expanding market coverage from the State of Sarawak to Peninsular Malaysia and to the State of Sabah.

Corporate

The corporate segment provides management services to its subsidiaries.

Consolidated profit before tax

The Group recorded a current quarter profit before tax of RM 2.4 million (31 March 2013: RM 1.7 million).

Administrative expenses is lower compared to corresponding quarter of 2013 primarily due to higher depreciation in the corresponding quarter of 2013 as a result of adjustments for over provision of depreciation.

Other operating expenses are lower by 11% compared to the corresponding quarter of 2013 principally due to lower impairment of intangible assets.

The main factors which have affected the current quarter’s profit before tax have been discussed above.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

5. Seasonality of operations

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

6. Profit before tax

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Accretion of finance lease	(9)	(13)	(9)	(13)
Accretion of long term retention sum	(375)	(375)	(375)	(375)
(Additional)/reversal of amortisation of trade payables	(128)	54	(128)	54
Allowance/(reversal) for impairment loss of trade receivables	162	(273)	162	(273)
Amortisation of intangible assets	660	909	660	909
Amortisation of prepaid lease payment	-	59	-	59
Bad debts recovered	(70)	(6)	(70)	(6)
Depreciation of property, plant and equipment	1,621	2,822	1,621	2,822
Gain on disposal of property, plant and equipment	(47)	(52)	(47)	(52)
Interest expense	502	709	502	709
Interest income	(334)	(9)	(334)	(9)
Inventories written off	24	5	24	5

7. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Malaysian taxation				
Current year	881	716	881	716
Under/(over) provision of income tax in respect of previous years	-	-	-	-
Deferred tax	130	(268)	130	(268)
	<u>1,011</u>	<u>448</u>	<u>1,011</u>	<u>448</u>

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



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

8. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company.

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.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Current year quarter		Current year to date	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Profit net of tax attributable to owners of the parent used in the computation of earnings per share (RM'000)	1,373	1,304	1,373	1,304
Weighted average number of ordinary shares in issue ('000)	279,450	155,250	279,450	155,250
Basic earnings per share (sen per share)	0.49	0.84	0.49	0.84
Diluted earnings per share (sen per share)	0.49	0.84	0.49	0.84

9. Property, plant and equipment

During the three months ended 31 March 2014, the Group acquired assets at the cost of RM8.4 million (31 March 2013: RM1.3 million).

10. Intangible assets

	Note	Goodwill	Construction contracts	Power purchase agreement	Total
		RM'000	RM'000	RM'000	RM'000
Cost:					
At 1 January 2014 and 31 March 2014		24,051	9,917	2,510	36,478
Accumulated amortisation:					
At 1 January 2013		-	-	-	-
Amortisation		-	7,374	-	7,374
At 31 December 2013		-	7,374	-	7,374
Amortisation	6	-	660	-	660
At 31 March 2014		-	8,034	-	8,034
Net carrying amount:					
At 31 December 2013		24,051	2,543	2,510	29,104
At 31 March 2014		24,051	1,883	2,510	28,444



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

10. Intangible assets (contd.)

Goodwill

Goodwill will be tested for impairment annually (31 December) and when circumstances indicate that the carrying value may be impaired.

The Group’s impairment test for goodwill is based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period.

The Group considers the relationship between its market capitalisation and its book value, among other factors when reviewing indicators for impairment.

The calculations of value-in-use are most sensitive to the following assumptions:

Budgeted gross margins – Gross margins are based on average values achieved in the years preceding the start of the budget period. These are increased over the budget period for anticipated efficiency movements.

Pre-tax discount rates – Discount rates reflect the current market assessment of the risk. In determining appropriate discount rates, regard has been given to average growth rate for the relevant industry.

As at the current financial period, the management did not identify impairment for cash-generating unit to which goodwill is allocated.

Contracts awarded

Contracts awarded relate to contract revenue awarded that were acquired in business combination. The contracts awarded classified as intangible asset will be amortised based on the percentage of completion of the respective contract.

Power purchase agreement

Power purchase agreement relates to an agreement whereby the customer who awards the holder of the agreement a guarantee that the customer will purchase power produced by the holder for a period of twenty (20) years. The amortisation period of twenty (20) years will commence when the plant is commissioned.

11. Cash and bank balances

Cash and bank balances comprised the following amounts:

	31 March 2014 RM’000	31 December 2013 RM’000
Cash in hand and at banks	12,094	8,161
Deposit with licensed banks	52,158	60,822
Total cash and bank balances	64,252	68,983



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

11. Cash and bank balances (contd.)

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

	31 March 2014 RM’000	31 December 2013 RM’000
Cash in hand and at banks	12,094	8,161
Deposit with licensed banks	43,481	52,215
Total cash and cash equivalents	<u>55,575</u>	<u>60,376</u>

12. Interest-bearing loans and borrowings

	31 March 2014 RM’000	31 December 2013 RM’000
Short term borrowings		
Secured	46,082	49,269
Unsecured	<u>21,450</u>	<u>32,863</u>
	<u>67,532</u>	<u>82,132</u>
Long term borrowings		
Secured	-	-
Unsecured	<u>1,046</u>	<u>1,170</u>
	<u>1,046</u>	<u>1,170</u>
	<u>68,578</u>	<u>83,302</u>

13. Dividends

Please refer to Note 23.

14. Commitments

	31 March 2014 RM’000	31 December 2013 RM’000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	102,450	102,309
Approved but not contracted for:		
Property, plant and equipment	10,482	10,735
	<u>112,932</u>	<u>113,044</u>



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

15. Contingencies

There were no contingencies as at the end of the current financial quarter.

16. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the year ended 31 March 2014 and 31 March 2013 as well as the balances with the related parties as at 31 March 2014 and 31 December 2013:

		March		March/December	
		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
		RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries of Sarawak Energy Berhad:					
Sarawak Energy Berhad	2014	15,982	-	15,181	-
	2013	2,997	-	10,720	-
Syarikat SESCO Berhad	2014	519	6	397	-
	2013	2,426	8	1,194	-
Transactions with subsidiaries of Hng Capital Sdn Bhd:					
Alpha Industries Sdn. Bhd.	2014	-	5,146	-	535
	2013	-	3,671	-	1,454
Leader Universal Aluminium Sdn. Bhd.	2014	-	15,243	-	79
	2013	-	2,270	-	1
Universal Cable (M) Berhad	2014	-	2,029	-	-
	2013	-	368	-	2,583
Leader Cable Industry Sdn. Bhd.	2014	-	-	-	-
	2013	-	4,160	-	269

17. Review of performance

Explanatory comment on the performance of each of the Group's business activities is provided in Note 4.

18. Comment on material change in profit before taxation

The profit before taxation for the quarter ended 31 March 2014 is higher than the immediate preceding quarter mainly as the increasing demand for cables, conductors, galvanised steel products and transmission tower segments has resulted in higher revenue and profit recorded.



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

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

19. Commentary on prospects

Our Group has recorded an improving performance for the start of year 2014 and barring any unforeseen circumstances, the Group anticipates improving performance and growth in the coming months.

20. Profit forecast or profit guarantee

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

21. Corporate proposals

Status of utilisation of proceeds

The gross proceeds from issuance of 77,625,000 rights shares at an issue price of RM 1.00 per rights share of approximately RM 77.63 million have been/shall be utilised in the following manner:

	Purpose	Proposed utilisation	Actual utilisation	Deviation	Balance	Estimated timeframe for utilisation from date of rights issue completion	Explanation
		RM'000	RM'000	RM'000	RM'000		
(i)	Working capital and capital expenditure	66,625	(52,178)	(9,963)	4,484	Within 24 months	RM52.2 million was utilised.
(ii)	Repayment of bank borrowings	10,000	(20,000)	10,000	-	Within 6 months	RM 20.0 million was utilised.
(iii)	Estimated expenses	1,000	(963)	(37)	-	Within 1 month	RM 0.9 million was utilised.
		<u>77,625</u>	<u>(73,141)</u>		<u>4,484</u>		

22. Changes in material litigation

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



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

23. Dividends payable

The Board of Directors has proposed a first and final single tier dividend of 1.5 sen per ordinary share in respect of financial year ended 31 December 2013. If approved by the shareholders at the upcoming Annual General Meeting which will be held on 16 June 2014, the dividend will be paid on 25 July 2014 to shareholders whose name appear in the Record of Depository on 4 July 2014.

24. Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

25. Risks and policies of derivatives

The Group did not enter into any derivatives during the period ended 31 March 2014 or the previous financial year ended 31 December 2013.

26. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2014 and 31 December 2013.

27. Breakdown of realised and unrealised profits or losses

The breakdown of the revenue reserves of the Group as at 31 March 2014 and 31 December 2013 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 24 March 2010 and 20 December 2010, prepared in accordance with *Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Current quarter ended 31 March 2014 RM'000	Previous financial year ended 31 December 2013 RM'000
Total revenue reserves of the Company and its subsidiaries:		
Realised	116,126	116,433
Unrealised	(4,901)	(6,847)
	<u>111,225</u>	<u>109,586</u>
Less: Consolidation adjustments	(33,726)	(33,460)
Revenue reserves as per financial statements	<u>77,499</u>	<u>76,126</u>

28. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2013 was not qualified.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2014

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

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 27 May 2014.

By order of the Board

Chai Chin Foh
Joint Company Secretary
27 May 2014