



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

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Current quarter 3months ended		Cumulative quarters 12months ended	
		31.12.2015 RM'000	31.12.2014 (Restated) RM'000	31.12.2015 RM'000	31.12.2014 (Restated) RM'000
Revenue		422,736	93,268	1,454,688	339,440
Cost of sales		(388,358)	(134,855)	(1,329,946)	(362,702)
Gross profit/ (loss)		34,378	(41,587)	124,742	(23,262)
Other operating income		3,217	104,837	12,242	109,444
Administrative expenses		(8,943)	(9,472)	(30,298)	(19,905)
Other operating expenses		(9,646)	(32,049)	(28,380)	(37,661)
Operating profit		19,006	21,729	78,306	28,616
Finance costs		(690)	(902)	(20,416)	(2,595)
Profit before tax	8	18,316	20,827	57,890	26,021
Income tax (expense)/ income	9	(6,830)	936	(17,821)	(1,593)
Profit for the period		11,486	21,763	40,069	24,428
Other comprehensive income					
Exchange differences on translation of foreign operation		232	232	598	244
Net movement of cash flow hedge		98	-	(537)	-
Other comprehensive income for the period, net of tax		330	232	61	244
Total comprehensive income for the period, net of tax		11,816	21,995	40,130	24,672
Profit for the period attributable to:					
Owners of the parent		11,433	21,497	39,797	24,227
Non-controlling interests		53	266	272	201
		11,486	21,763	40,069	24,428
Total comprehensive income for the period, net of tax attributable to:					
Owners of the parent		11,712	21,678	39,728	24,418
Non-controlling interests		104	317	402	254
		11,816	21,995	40,130	24,672
Earnings per share attributable to owners of the parent (sen per share):					
Basic	10	3.61	7.69	12.55	8.66
Diluted	10	3.61	7.69	12.55	8.66

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



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31.12.2015 RM'000	31.12.2014 (Restated) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	355,968	353,889
Intangible assets		2,715	3,627
Deferred tax assets		61,857	44,983
Concessions financial assets	12	62,169	33,185
Other assets	13	107,646	28,659
Long term retention receivables		36,562	21,075
		<u>626,917</u>	<u>485,418</u>
Current assets			
Inventories		153,812	122,431
Trade and other receivables		401,766	487,919
Other current assets		146,673	39,861
Tax recoverable		3,150	2,721
Derivatives		-	27
Cash and bank balances	14	65,445	62,932
		<u>770,846</u>	<u>715,891</u>
TOTAL ASSETS		<u><u>1,397,763</u></u>	<u><u>1,201,309</u></u>
EQUITY AND LIABILITIES			
Current liabilities			
Derivatives		-	677
Loans and borrowings	15	445,935	393,032
Trade and other payables		444,502	400,420
Other current liabilities		1,348	2,773
Income tax payable		5,219	2,696
		<u>897,004</u>	<u>799,598</u>
Net current liabilities		<u>(126,158)</u>	<u>(83,707)</u>
Non-current liabilities			
Loans and borrowings	15	146,936	96,166
Deferred tax liabilities		28,433	9,188
		<u>175,369</u>	<u>105,354</u>
Total liabilities		<u>1,072,373</u>	<u>904,952</u>
Net assets		<u>325,390</u>	<u>296,357</u>
Equity attributable to owners of the Company			
Share capital		158,525	158,525
Reverse acquisition reserve		(37,300)	(37,300)
Share premium		79,796	79,796
Foreign currency translation reserves		(537)	(1,005)
Hedge reserve		(537)	-
Revenue reserves		124,861	96,161
		<u>324,808</u>	<u>296,177</u>
Non-controlling interests		582	180
Total equity		<u>325,390</u>	<u>296,357</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,397,763</u></u>	<u><u>1,201,309</u></u>
Net assets per share attributable to owners of the Company (sen)		103	93

The condensed consolidated statements of financial position should be read in conjunction with the accompanying notes attached to the interim financial statements



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UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity, total RM'000	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 2014	223,635	223,709	139,725	(37,300)	46,354	(1,196)	76,126	(74)
Profit for the year –								
As previously stated	25,740	25,539	-	-	-	-	25,539	201
Adjustment to provisional negative goodwill (Note 4)	(1,312)	(1,312)	-	-	-	-	(1,312)	-
As restated	24,428	24,227	-	-	-	-	24,227	201
Other comprehensive income	244	191	-	-	-	191	-	53
Total comprehensive income	24,672	24,418	-	-	-	191	24,227	254
Issuance of share pursuant to acquisition of subsidiaries	52,264	52,264	18,800	-	33,464	-	-	-
Shares issuance expenses	(22)	(22)	-	-	(22)	-	-	-
Dividend on ordinary shares	(4,192)	(4,192)	-	-	-	-	(4,192)	-
At 31 December 2014	296,357	296,177	158,525	(37,300)	79,796	(1,005)	96,161	180

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



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent								Non-controlling interests RM'000
	Equity, total 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	Hedge reserve RM'000	Revenue reserves RM'000	
At 1 January 2015									
As previously stated	297,669	297,489	158,525	(37,300)	79,796	(1,005)	-	97,473	180
Adjustment to provisional negative goodwill (Note 4)	(1,312)	(1,312)	-	-	-	-	-	(1,312)	-
At 1 January 2015 - as restated	296,357	296,177	158,525	(37,300)	79,796	(1,005)	-	96,161	180
Profit for the period	40,069	39,797	-	-	-	-	-	39,797	272
Other comprehensive income	61	(69)	-	-	-	468	(537)	-	130
Total comprehensive income	40,130	39,728	-	-	-	468	(537)	39,797	402
Dividend on ordinary shares	(11,097)	(11,097)	-	-	-	-	-	(11,097)	-
At 31 December 2015	325,390	324,808	158,525	(37,300)	79,796	(537)	(537)	124,861	582

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



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UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current period to date 31.12.2015	Preceding year corresponding period 31.12.2014 (Restated)
Note	RM'000	RM'000
Operating activities		
Profit before tax	57,890	26,021
Adjustments for:		
Unwinding of discount on finance lease	(23)	(31)
Unwinding of discount on long term retention sum	-	(992)
Unwinding of discount on trade payables	55	(38)
Amortisation of intangible assets	913	1,426
Property, plant and equipment written off	221	-
Depreciation of property, plant and equipment	19,713	5,599
Gain on disposal of property, plant and equipment, net	(116)	(133)
Negative goodwill on acquisition	-	(103,265)
Impairment of goodwill	-	24,051
Allowance for impairment loss of trade and other receivables	(1,925)	4,251
Interest expense	20,416	2,595
Interest income	(962)	(1,094)
Inventories written-off	187	52
Unrealised (gain)/ loss on foreign exchange	(5,153)	1,822
Finance income from concession financial assets	(2,192)	(969)
Operating cash flows before working capital changes	89,024	(40,705)
Changes in working capital:		
Increase in inventories	(31,568)	(5,466)
Decrease/ (Increase) in trade and other receivables	72,590	(132,399)
(Increase)/ Decrease in other current assets	(108,237)	14,233
Increase in trade and other payables	49,211	176,931
Decrease in derivative liabilities	(677)	-
Increase in concessions financial assets	12 (26,793)	(29,993)
Decrease in hedge reserve	(537)	-
Total changes in working capital	(46,011)	23,306
Cash from/ (used in) operations	43,013	(17,399)
Interest paid	(20,416)	(3,506)
Tax paid, net of refund	(13,358)	(3,650)
Net cash flows from/ (used in) operating activities	9,239	(24,555)



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31 DECEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

	Current period to date	Preceding year corresponding period (Restated)
Note	31.12.2015 RM'000	31.12.2014 RM'000
Investing activities		
Acquisition of subsidiaries, net of cash outflows	-	(76,378)
Purchase of property, plant and equipment	(22,139)	(14,640)
Interest received	962	1,094
Proceeds from disposal of property, plant and equipment	241	352
Deposit paid for purchase of helicopter	(78,987)	(18,866)
Net cash used in investing activities	<u>(99,923)</u>	<u>(108,438)</u>
Financing activities		
Draw down from borrowings	103,696	130,912
Dividend paid on ordinary shares	(11,097)	(4,192)
Decrease/ (Increase) in cash and bank balances pledged for bank borrowings	1,751	(14,588)
Share issuance expense	-	(22)
Net cash from financing activities	<u>94,350</u>	<u>112,110</u>
Net increase/ (decrease) in cash and cash equivalents	3,666	(20,883)
Effect on exchange rate changes	598	244
Cash and cash equivalents at 1 January	39,737	60,376
Cash and cash equivalents at 31 December	<u>44,001</u>	<u>39,737</u>
Cash and cash equivalents comprise the following:		
Cash in hand and at banks	50,400	47,394
Deposits with licensed banks	15,045	15,538
	<u>65,445</u>	<u>62,932</u>
Deposit pledged	(21,444)	(23,195)
Cash and cash equivalents	<u>14</u> <u>44,001</u>	<u>39,737</u>

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



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

1. Corporate information

Sarawak Cable Berhad (“the Company”) 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 26 February 2016.

2. Significant accounting policies

The audited financial statements of the Group for the year ended 31 December 2014 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 2014.

3. Changes in estimates

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

4. Completion of purchase price allocation (“PPA”) of Universal Cable (M) Berhad (“UCMB”) and Leader Cable Industry Berhad (“LCIB”) business combination

Following the acquisition of 100% equity interest in UCMB and LCIB on 30 December 2014, which thus became the wholly-owned subsidiaries of the Company, the initial accounting for PPA of UCMB’s and LCIB’s business combination were determined on provisionally basis as at 30 December 2014 as the fair values to be assigned to UCMB’s and LCIB’s identifiable assets, liabilities and contingent liabilities could only be determined provisionally then. The UCMB’s and LCIB’s business combination had been accounted for using these provisional values and hence, the Group had initially reflected a negative goodwill on consolidation amounting to RM104.6 million which was reflected as other income in the Group financial results for year ended 31 December 2014.

Pursuant to MFRS 3 *Business Combinations*, the Group had twelve months from the initial acquisition date (30 December 2014) to determine the estimate fair value of UCMB’s and LCIB’s assets and liabilities. The Group had completed its PPA exercises within the stipulated time period in accordance with MFRS 3 and based on the fair values of net assets of UCMB and LCIB, the negative goodwill has decreased from RM104.6 million to RM103.3 million. The decreased negative goodwill of RM1.3 million has been adjusted in the retained earnings as at 31 December 2014. Consequently, the Group’s profit before taxation decreased from RM27.3 million to RM26.0 million and the Group’s profit after taxation decreased from RM25.7 million to RM24.4 million for the financial year ended 31 December 2014.

Below is the effect of PPA adjustments as at 31 December 2014 in accordance with MFRS 3:

	As previously stated RM’000	Adjustments RM’000	As restated RM’000
As at 31 December 2014 Consolidated statement of financial positive			
<u>Non-current assets</u>			
Property, plant and equipment	352,688	1,201	353,889



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4. Completion of purchase price allocation (“PPA”) of Universal Cable (M) Berhad (“UCMB”) and Leader Cable Industry Berhad (“LCIB”) business combination (contd’)

	As previously stated RM’000	Adjustments RM’000	As restated RM’000
As at 31 December 2014			
Consolidated statement of financial position			
<u>Non-current assets</u>			
Deferred tax assets	44,768	215	44,983
<u>Current assets</u>			
Tax recoverable	2,195	526	2,721
<u>Current Liabilities</u>			
Trade and other payables	397,455	2,965	400,420
<u>Non-Current Liabilities</u>			
Deferred tax liabilities	8,899	289	9,188
Consolidated statement of changes in equity			
Retained earnings as at 1 January 2015	97,473	(1,312)	96,161
For the financial year ended 31 December 2014			
Consolidated statement of profit or loss and other comprehensive income			
Other operating income	110,756	(1,312)	109,444
Net profit for the financial year attributable to owners of the company	25,539	(1,312)	24,227
Total Comprehensive income for the financial year attributable to owners of the Company	25,730	(1,312)	24,418

5. Item of unusual nature, size or incidence

There was no item of unusual nature, size or incidence.



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6. Segment information

	Sales of power and telecommunication cables		Sales of galvanised products and steel structures		Transmission lines construction		Power generation, helicopter services and corporate		Total		Adjustments/ elimination		Per condensed consolidated financial statements	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	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	760,569	154,670	129,540	41,535	511,960	110,777	52,619	32,458	1,454,688	339,440	-	-	1,454,688	339,440
Inter-segment	118,619	4,851	31	5,515	-	14,031	5,400	74,400	124,050	98,797	(124,050)	(98,797)	-	-
Total revenue	879,188	159,521	129,571	47,050	511,960	124,808	58,019	106,858	1,578,738	438,237	(124,050)	(98,797)	1,454,688	339,440
Segment profit/ (loss)														
(Note A)	13,146	3,891	1,356	(1,841)	25,100	(72,691)	18,288	108,108	57,890	37,467	-	(11,446)	57,890	26,021

Note A

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

	31 Dec 2015	31 Dec 2014
	RM'000	RM'000
Segment profit	83,294	33,242
Finance costs	(20,416)	(2,595)
Unallocated corporate expenses	(4,988)	(4,626)
Profit before tax	57,890	26,021



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

6. 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 sales of power and telecommunication cables segment supplies power and telecommunication cables and cable components to consumers.
- (b) The sales of galvanised products and steel structures segment supplies galvanised products and steel structures. It also offers galvanising services.
- (c) The transmission lines construction segment involves the supply, installation and commissioning of transmission line projects.
- (d) The power generation, helicopter services and corporate segment is involved in power generation business, provision of helicopter services and Group-level corporate and management services.

Sales of power and telecommunication cables

The sales of power and telecommunication cables segment contributed 52% (31 December 2014: 46%) of the total revenue of the Group and was one of the main contributor to the Group’s operating profit for the year ended 31 December 2015.

The segment recorded a revenue and profit before tax of RM760.6 million and RM13.2 million respectively for the year ended 31 December 2015 as compared to revenue and profit before tax of RM154.7 million and RM3.9 million respectively in the corresponding year ended 31 December 2014. Operating costs remained in line and consistent with the increased revenue as compared with the corresponding year ended 31 December 2014. This was as a result of the positive contribution from the newly acquired subsidiaries namely UCMB and LCIB.

The Group remains positive that with its business strategies in place, there will be growth in the coming year.

Sales of galvanized products and steel structures

The sales of galvanised products and steel structures segment contributed 9% (31 December 2014: 12%) of the total revenue of the Group for the year ended 31 December 2015.

This segment incurred profit before tax of RM1.4 million when compared with corresponding year ended 31 December 2014 operating loss of RM1.8 million. This was due to adverse foreign exchange impact in the purchase of raw materials in 2014.

The Group is confident that the demand for galvanised products and steel structures will continue to improve.



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6. Segment information (contd.)

Transmission lines construction

The transmission lines construction segment contributed 35% (31 December 2014: 33%) of the total revenue of the Group for the year ended 31 December 2015.

The segment recorded a revenue and profit before tax of RM512.0 million and RM25.1 million respectively for the year ended 31 December 2015 as compared to revenue and loss before tax of RM110.8 million and RM72.7 million respectively in the corresponding year ended 31 December 2014. Operating costs remained fairly consistent with the corresponding year of 2014.

Segment results for the financial year ended 31 December 2015 had increased as compared to corresponding year in 2014 mainly due to the ongoing projects which contributed positively to the Group.

The Group remains positive that performance for this segment will continue to improve with the Group’s development plans for the power transmission industry.

Power generation, helicopter services and corporate

The power generation, helicopter services and corporate segment provides power generation business, provision of helicopter services and Group-level corporate and management services. In the financial year ended 31 December 2015, power generation, helicopter services and corporate segment contributed RM52.6 million to the total revenue of the Group.

The Group remains positive that with its business strategies in place, there will be growth in the coming year.

Consolidated profit before tax

The Group recorded a profit before tax of RM57.9 million (31 December 2014: RM 26.0 million) for the year ended 31 December 2015, which was higher than corresponding year in 2014 principally due to improved results from sales of power and telecommunication cables segment and transmission lines construction segment as explained above.

Higher bank borrowings for working capital had resulted in higher finance costs for the current reporting quarter (see Note 14).

The main factors which had affected the current quarter’s profit before tax are explained above.

7. Seasonality of operations

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



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

8. Profit before tax

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Unwinding of discount on finance lease	(6)	(7)	(23)	(31)
Unwinding of discount on long term retention sum	-	133	-	(992)
Unwinding of discount on trade payables	17	(72)	55	(38)
Amortisation of intangible assets	80	(361)	913	1,426
Property, plant and equipment written off	213	-	221	-
Depreciation of property, plant and equipment	4,690	395	19,713	5,599
Gain on disposal of property, plant and equipment, net	(124)	(5)	(116)	(133)
Negative goodwill on acquisition	-	(103,265)	-	(103,265)
Impairment of goodwill	-	24,051	-	24,051
Allowance/ (Reversal) for impairment loss of trade and other receivables	66	5,069	(1,925)	4,251
Interest expense	1,029	902	20,416	2,595
Interest income	961	(138)	(962)	(1,094)
Inventories written-off	71	(351)	187	52
Unrealized (gain)/ loss on foreign exchange	(426)	1,822	(5,133)	1,822
Finance income from concession financial assets	(626)	(969)	(2,192)	(969)



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9. Income tax expense

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Current income tax:				
Based on results for the period	5,365	2,965	15,184	5,401
Under/ (over) provision of income tax in respect of previous years	42	(808)	126	(674)
Deferred income tax	1,423	(3,093)	2,511	(3,134)
	<u>6,830</u>	<u>(936)</u>	<u>17,821</u>	<u>1,593</u>

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

10. 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.

The Group had 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 are the profit and share data used in the computation of basic and diluted earnings per share:

	Current year quarter		Current year to date	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Profit net of tax attributable to equity holders of The Company (RM'000)	<u>11,433</u>	<u>21,497</u>	<u>39,797</u>	<u>24,227</u>
Weighted average number of ordinary shares in issue ('000)	<u>317,050</u>	<u>279,553</u>	<u>317,050</u>	<u>279,553</u>
Basic earnings per share (sen per ordinary share)	<u>3.61</u>	<u>7.69</u>	<u>12.55</u>	<u>8.66</u>
Diluted earnings per share (sen per ordinary share)	<u>3.61</u>	<u>7.69</u>	<u>12.55</u>	<u>8.66</u>



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

11. Property, plant and equipment

During the twelve months ended 31 December 2015, the Group acquired assets at the cost of RM22.1 million (31 December 2014: RM14.6 million).

12. Concessions financial assets

	31 December 2015 RM’000	31 December 2014 RM’000
At 1 January	33,185	-
Concession construction revenue	21,920	32,216
Accrued financial income	2,192	969
Foreign exchange difference	4,872	-
At 31 December	<u>62,169</u>	<u>33,185</u>

13. Other assets

	31 December 2015 RM’000	31 December 2014 RM’000
Downpayment for purchase of helicopters	<u>107,646</u>	<u>28,659</u>

14. Cash and bank balances

Cash and bank balances comprised the following amounts:

	31 December 2015 RM’000	31 December 2014 RM’000
Cash in hand and at banks	50,400	47,394
Deposits with licensed banks	15,045	15,538
Cash and bank balances	<u>65,445</u>	<u>62,932</u>

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

	31 December 2015 RM’000	31 December 2014 RM’000
Cash in hand and at banks	43,379	38,337
Deposits with licensed banks	622	1,400
Cash and cash equivalents	<u>44,001</u>	<u>39,737</u>



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15. Loans and borrowings

	31 December 2015 RM’000	31 December 2014 RM’000
Current		
Secured	75,906	62,058
Unsecured	370,029	330,974
	<u>445,935</u>	<u>393,032</u>
Non-current		
Secured	132,687	87,366
Unsecured	14,249	8,800
	<u>146,936</u>	<u>96,166</u>
	<u>592,871</u>	<u>489,198</u>

16. Dividend Paid

An interim single-tier dividend of 1.0 sen (2014: Nil) per ordinary share in respect of the financial year ending 31 December 2015 was paid on 28 August 2015.

17. Commitments

	31 December 2015 RM’000	31 December 2014 RM’000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	71,935	85,873
Approved but not contracted for:		
Property, plant and equipment	7,362	9,722
	<u>79,297</u>	<u>95,595</u>

18. Contingencies

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



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

19. Related party transactions

The following table provides information on the transactions which were entered into with related parties during the year ended 31 December 2015 and 31 December 2014 as well as the balances with the related parties as at 31 December 2015 and 31 December 2014.

		December	December	December	December
		Sales to related parties RM'000	Purchases from related parties RM'000	Amounts owed by related parties RM'000	Amounts owed to related parties RM'000
Transactions with subsidiaries of Sarawak Energy Berhad:	Sarawak Energy Berhad	2015	3,707	-	-
		2014	32,499	-	9,314
Syarikat SESCO Berhad		2015	39,560	-	1,093
		2014	8,744	-	414
Sejingkat Corp Sdn Bhd		2015	-	-	-
		2014	4	-	-
PPLS Power Gen Sdn Bhd		2015	-	-	-
		2014	5	-	-
Transactions with subsidiaries of Hng Capital Sdn Bhd:	Alpha Industries Sdn. Bhd.	2015	3,134	260,941	44,281
		2014	-	22,780	1,435
Leader Universal Aluminium Sdn. Bhd.		2015	2,555	129,407	16,037
		2014	-	21,313	-
UCMB		2015	-	-	-
		2014	-	86,541	36,548
LCIB		2015	-	-	-
		2014	-	466	466



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

20. Review of performance

Explanatory comments on the performance of each of the Group's business segments are provided in Note 5.

21. Comment on material change in profit before taxation

The profit before taxation for the quarter ended 31 December 2015 was higher than the immediate preceding quarter mainly due to positive contribution from all segments.

22. Commentary on prospects

The Group recorded a much improved performance in the fourth quarter of 2015 as compared to the corresponding quarter in 2014 and anticipates continuous improved performance in the financial year 2016.

23. Profit forecast or profit guarantee

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

24. Corporate proposals

On 8 January 2016, the Company announced that it is proposing to implement a proposed private placement of up to ten percent (10%) of its issued and paid-up share capital ("the Proposal").

On 12 January 2016, the Company made an announcement that the additional listing application in relation to the Proposal has been submitted to Bursa Securities for approval.

On 14 January 2016, the Company announced that Bursa Securities has vide its letter dated 13 January 2016 approved the listing of and quotation for up to 31,705,000 new Shares ("Placement Shares") on the Main Market of Bursa Securities.

The aforementioned approval by Bursa Securities is subject to the following conditions:-

- (i) The Company and Kenanga Investment Bank Berhad ("Kenanga IB") must fully comply with the relevant provisions under the Main Market Listing Requirements ("Listing Requirements") pertaining to the implementation of the Proposal;
- (ii) The Company and Kenanga IB to inform Bursa Securities upon the completion of the Proposal;
- (ii) The Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposal is completed; and
- (iii) Kenanga IB must submit to Bursa Securities details of the placees in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable before the listing of the Placement Shares.

The Company is required to ensure full compliance of all the requirements pertaining to the Proposal as provided under the Listing Requirements at all times.

Kenanga IB is currently finalising the placees.

25. Changes in material litigation

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



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26. Dividend payable

The Board of directors proposes to recommend for shareholders' approval at the forthcoming Annual General Meeting a final single-tier dividend of 5.0 sen (2014: 2.5 sen) per ordinary share in respect of the financial year ended 31 December 2015, to be paid on a date to be determined later.

27. Disclosure of nature of outstanding derivatives

The outstanding derivatives were for the forward hedges with the London Metal Exchange ("LME") brokers.

28. Risks and policies of derivatives

The Group will only enter into a LME or currency derivative to hedge against potential commodity or currency fluctuation.

29. 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 December 2015 and 31 December 2014.



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

30. Breakdown of realised and unrealised profits or losses

The breakdown of the revenue reserves of the Group as at 31 December 2015 and 31 December 2014 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 24 March 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 financial year ended 31 December 2015 RM'000	Previous financial year ended 31 December 2014 RM'000
Total revenue reserves of the Company and its subsidiaries:		
Realised	84,337	186,035
Unrealised	37,886	34,047
	<u>122,223</u>	<u>220,082</u>
Add/ (less): Consolidation adjustments	2,638	(123,921)
Revenue reserves as per financial statements	<u>124,861</u>	<u>96,161</u>

31. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

32. Authorized for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2016.

By order of the Board

Teoh Wen Jinq
 Company Secretary
 26 February 2016