annual
report
2010

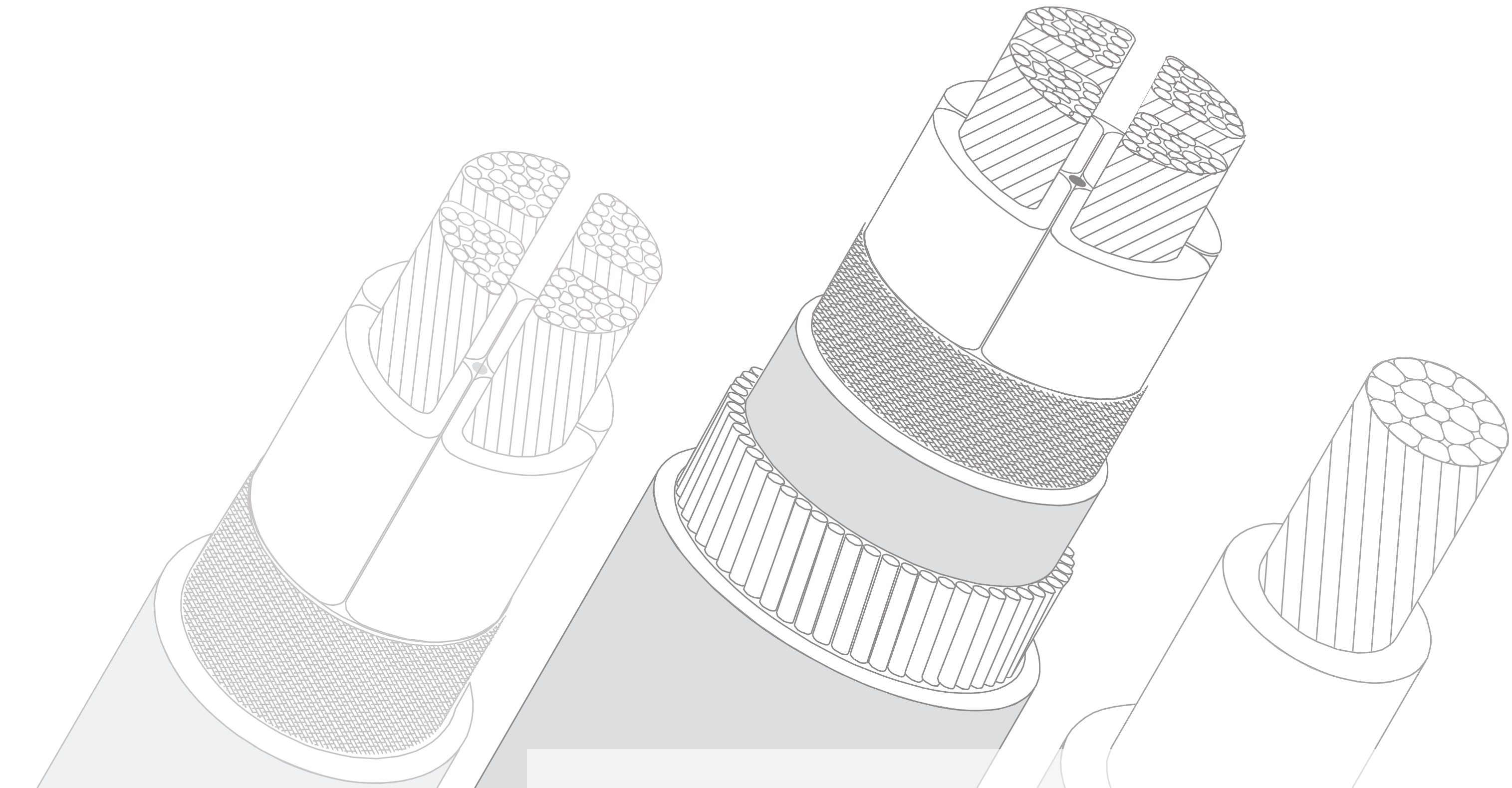
SARAWAK CABLE BERHAD
(456400-V)

OUR MISSION

We aim to be the leading provider of total/integrated power solutions, creating sustainable value for our stakeholders, and the communities in which we operate.

OUR VALUES

Integrity | Trust | Teamwork | Innovation | Performance | Customer/Client Focus | Caring



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CORPORATE PROFILE

Power cables and wires

We manufacture two (2) types of power cables, wires and conductors, which are low voltage power cables and wires and high voltage bare conductors. The manufacture of power cables and wires refers to the use of raw materials such as copper or aluminium wires, which are then stranded or twisted to the required specifications and may or may not be insulated and protected.

Single and Multi Core Power Cables and Wires

Low voltage power cables and wires such as single core power cables and wires and multi-core power cables and wires are principally used in distribution lines, as well as inside end-user homes, offices and factories. The low voltage power cables and wires manufactured include:

- Single core - XLPE insulated armoured PVC sheathed cable
- Three (3) cores - XLPE insulated armoured PVC sheathed cable
- Four (4) cores - XLPE insulated armoured PVC sheathed cable
- Four (4) cores - XLPE insulated non-armoured PVC sheathed cable

High Voltage Bare Conductors

Our Group manufactures high voltage bare conductors that support voltage in excess of 33kV and include:

- All Aluminium Conductors (AAC),
- All Aluminium Alloy Conductors (AAAC),
- All Aluminium Conductor Steel Reinforced (ACSR), and
- Aluminium Binding Wires.

Steel Fabrication

We are one of the leading fabricators in Sarawak and our products include low-tension/ high-tension distribution steel poles, street lighting column and highway guardrails, structural steel, tower/ poles, steel bridges, galvanising services and all related accessories for the distribution of steel poles.

Hot-Dip Galvanising

We are one of the established hot-dip galvanisers in Sarawak and have the capability to galvanise steel structures ranging from a kettle size of 10 metres (long) x 1.5 metres (wide) x 2.5 metres (depth) to large steel sections of up to 17 metres in length.

Installation and commissioning of Transmission Lines Projects

We also undertake supply, installation and commissioning of power cables on a project basis.

At present, we are implementing the following projects :-

- the RM164.9 million 275kV Engkilili-Entinggan transmission line;
- the RM15.4 million 132kV Entinggan-Muara Tabuan transmission line;
- the RM115.4 million 132kV Kemantan-Kapit transmission line; and
- the RM98.6 million 275kV Murum-Murum Junction transmission line.

CHAIRMAN'S STATEMENT

Dear Shareholders,

Sarawak Cable Berhad ("Sarawak Cable" or "the Group") was successfully listed on the Main Market of Bursa Malaysia Securities Berhad on 25 May 2010. Sarawak Cable is one of the leading manufacturers of power cables and wires and steel structures in Sarawak.

Of the twenty nine (29) initial public offerings ("IPOs") in year 2010, I am proud to announce that Sarawak Cable emerged as the third IPO winner gaining 74.3% to closed at RM1.22 on 24 December 2010, compared with its listing price of 70 sen.

On behalf of the Board of Directors of Sarawak Cable ("Board"), I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2010.

STRENGTHENING THE GROUP

The priority after listing is to further consolidate our core business to become a total power cable solutions provider, as part of our strategy to transform the Group into an integrated solution for transmission line project including the manufacturing of power cables, wires and fabrication of steel structures, which are the major components for power transmission line projects as well as to undertake the construction of power transmission lines in Sabah and Sarawak.

In the second half of year 2010, with the completion of the corporate proposal, Sarwaja Timur Sdn. Bhd. ("Sarwaja Timur") became a subsidiary of the Group effective 20 October 2010 by virtue of management control obtained in Sarwaja Timur.

Sarwaja Timur, an unlisted company incorporated in Malaysia is an established steel fabricator and hot-dip galvaniser involved in the manufacture, fabrication, galvanizing and sale of steel structures and products.

In November 2010, Sarawak Cable was pleased to announce that UCS-Sinohydro Joint Venture, an unincorporated joint venture between its wholly-owned subsidiary, Universal Cable (Sarawak) Sdn. Bhd. and Sinohydro Corporation (M) Sdn. Bhd., has received a Letter of Award for the design, supply, delivery, erection and commissioning of 275KV Murum-Murum Junction Transmission Line. The contract value of the award is Ringgit Malaysia Ninety Eight Million Six Hundred Eighty Three Thousand Seven Hundred Ninety Nine (RM98,683,799). The contract is expected to contribute positively to the earnings and net assets of the Group for the financial years ending 2011 to 2012.

DIVIDEND PAYMENT

The Board is pleased to recommend for shareholders' approval at the Annual General Meeting a final tax exempt dividend of 3.0 sen per ordinary share (RM 4.05 million) in respect of the financial year ended 31 December 2010.

Sarawak Cable adopts a dividend policy which seeks to allow our shareholders to participate in the profits of our Group.

The Group will also continue to adopt aggressive dividend policy through adoption of active capital management to maximise distribution of its earnings, after setting aside sufficient funding for capital expenditure and working capital requirements.

CORPORATE GOVERNANCE

The Board is committed to upholding and implementing highest standards of corporate governance and best practices in implementing its business strategies and operations. The Group's corporate governance initiatives and internal control policies are detailed in the relevant sections of this Annual Report.

CORPORATE RESPONSIBILITY

The Group seeks to balance its economic ambitions with responsible corporate practices that impact our stakeholders, communities and environment in which we operate. Sarawak Cable will continue to undertake Corporate Responsibility initiatives for worthy causes.

OUTLOOK AND PROSPECTS

The Malaysian economy is expected to post robust growth. With Sarawak State Government's aspiration to develop Sarawak into a developed state by the year 2020 coupled with the emphasis on improvement of infrastructures under Government Transformation Programme and development of the power generation capacity in Sarawak under Sarawak Corridor of Renewable Energy ("SCORE"), demand for power cables and wires, power transmission line towers and poles, fabrication and galvanising services as well as its standard products, such as low-tension/high-tension distribution steel poles, street lighting column and highway guardrails, structural steel and tower/poles is expected to increase.

The development of the infrastructure and power distribution network in Sarawak and Sabah will provide ample opportunities for the Group to participate in the development of Sarawak and Sabah.

At present, the Group is one of the leading suppliers of power cables and wires, and power transmission towers and poles for various transmission line projects in Sarawak.

The Board envisages that the Group stands to benefit from the development of Sarawak in the future, including those development plans currently being implemented under SCORE.

APPRECIATION

On behalf the Board, I wish to convey my heartfelt appreciation to our shareholders, customers, business associates and bankers for their firm and on going support.

I would like to express my thanks to the regulatory and government authorities for their help, especially to the Securities Commission and Bursa Malaysia Securities Berhad for their guidance in helping Sarawak Cable to achieve its listing on the Main Market of Bursa Malaysia Securities Berhad.

I would especially like to thank Sarawak Cable's dedicated leadership team and employees, for all their dedication and hard work. The Board truly appreciates your efforts to ensure Sarawak Cable's success.

I would also like to thank my fellow Board members for their worthy wise counsel and insights in guiding Sarawak Cable through our listing exercise and the challenges of a highly competitive business sector.

Dato Sri Mahmud Abu Bekir Taib
Chairman

MESSAGE FROM GROUP MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER

Dear Shareholders,

Sarawak Cable aims to strengthen the Group's performance in order to engage in its share growth strategy. The Group's dedicated teams, driven by the passion to grow and sustain, supported the Group's strategy to increase market share through heighten sales volume, enhancing productivity and maintaining market leadership while upholding the Group's corporate responsibility.

Year 2010 has indeed been a challenging year for the Group. I am pleased that following the first-half performance somewhat affected by the volatility of commodity prices, such as those for copper and aluminium and competitive pricing pressures, we recovered with encouraging results in our business performance towards the year end.

I am particularly proud of the Group's dedicated teams which stood the test, sustaining its market leadership position and also delivering the Group's planned strategies for the year. This underlines our team's strength and ability to react to market conditions.

MAINTAINING MARKET LEADERSHIP
AND STRONG FINANCIAL STANDING

In year 2010, the Group recorded a revenue of RM 129.5 million, an increase of 44.2% compared to RM 89.8 million achieved in 2009. Gross profit and net profit which stood at RM 13.3 million and RM 6.3 million respectively, showed a drop from RM 15.3 million and RM 8.1 million compared to the year before.

Despite a lower financial performance, the Group maintained its financial standing by recording an increase in net assets value per share attributable to ordinary equity holders of the company to RM 0.87 from RM 0.70, an improvement of 24.3% compared to year 2009.

The Group is committed to focus on improving production and investment in capital expenditure to upgrade production facilities and introduce a wider range of power cables and wires, and steel structure products.

Sarawak Cable's continuous efforts to increase net assets, continuous focus in operational execution, prudent attitude towards costs and continuous focus to explore new market opportunities reflect the Group's strengths of market leadership to maintain its growth position.

CORPORATE STRUCTURE

During the financial year, Sarawak Cable acquired a 75% equity interest in Sarwaja Timur, for a total consideration of RM28,875,000 satisfied via issuance of 10,000,000 new ordinary shares of RM0.50 each in the Company and the balance via cash payment of RM16,837,000 ("Acquisition").

Sarawak Cable also undertook a private placement of up to 5,000,000 new ordinary shares, representing up to 4% of the issued and paid-up share capital of the Company ("Private Placement").

With the completion of the Private Placement and settlement of the purchase consideration of the Acquisition, the corporate proposal was thereby completed.

Sarwaja Timur is an established steel fabricator and hot dip galvaniser in Sarawak and has secured projects for the construction and commissioning of power transmission lines in Sarawak. The acquisition of Sarwaja Timur is a strategic move by Sarawak Cable to expand and complement its existing operations in the manufacturing and trading of power cables and wires by gaining immediate market presence in the power transmission industry.

Sarwaja Timur is currently in the midst of commissioning 132kv Entinggan-Muara Tabuan, 275kv Engkilili-Entinggan and 132kv Kemantan-Kapit transmisstion line projects. The projects are expected to be completed in year 2011.

OUTLOOK IN YEAR 2011

The Malaysian economy is projected to expand between 5.0% to 6.0% in year 2011 (2010 : 7.0%), mainly driven by domestic demand and supported by a favorable external sector. The strong economic fundamentals will continue to propel the growth momentum of domestic demand.

SCORE which is one of the five (5) regional development corridors being implemented throughout the country is undertaken to transform Sarawak into a developed State by year 2020.

The core of SCORE is its energy resources, particularly hydropower, coal and others. 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.

At present, SCORE includes investments for energy intensive industries such as two (2) aluminium smelter projects and a polycrystalline silicon manufacturing plant in the Samalaju Industrial Park. SCORE will 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 twelve (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.

The Federal Government in the 2011 Budget has provided amongst others, electricity supply in rural areas in Sabah with an allocation of RM1.5 billion and Sarawak RM1.2 billion.

The potentials of hydroelectric power generation dams and electricity supply to rural areas in Sabah and Sarawak offer growth opportunity for the Group's involvement in the supply of power cables and wires and steel structure products, as well as commissioning of transmission line projects.

DEDICATED EMPLOYEES

We continue to make efforts to broaden and upgrade the skills of our dedicated employees by encouraging the management, executive and technical staffs to attend seminars, training and workshops. We believe that better equip employees will further strengthen the Group, shape Sarawak Cable's future and deliver stronger and improved shareholder value.

APPRECIATION

I would like to thank our shareholders, customers, business associates, bankers, regulatory and government authorities for their continuous and on going support to the management team.

I would also like to thank my fellow Board members for their support, collective wisdom and guidance.

Lastly, I express my deepest gratitude to the dedicated teams of Sarawak Cable for their commitment and hard work.

Toh Chee Ching
Group Managing Director/ Chief Executive Officer

GROUP CORPORATE STRUCTURE

SARAWAK CABLE BERHAD

- 100% — Universal Cable (Sarawak) Sdn. Bhd.
- 51% — Sarawak Power Solutions Sdn. Bhd.
- 75% — Sarwaja Timur Sdn. Bhd.
  - 100% — Sarwaja Engineering & Construction Sdn. Bhd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato Sri Mahmud Abu Bekir Taib
Non-Independent Non-Executive Chairman

Datuk Fong Joo Chung
Non-Independent Non-Executive Deputy Chairman

Toh Chee Ching
Group Managing Director / Chief Executive Officer

Dato' Seri H'ng Bok San
Non-Independent Non-Executive Director

Yek Siew Liong
Non-Independent Non-Executive Director

Kevin How Kow
Independent Non-Executive Director

Dato' Ahmad Redza bin Abdullah
Independent Non-Executive Director

Erman bin Radin
Independent Non-Executive Director

Kon Ted Liuk
Alternate Director to Dato' Seri H'ng Bok San

SECRETARIES

Teoh Wen Jinq [MIA 25770]
Voon Jan Moi [MAICSA 7021367]

AUDITORS

Ernst & Young

SOLICITORS

Reddi & Co. Advocates
S. K. Ling & Co Advocates

PRINCIPAL BANKERS

CIMB Bank Berhad
EON Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

SHARE REGISTRARS

Symphony Share Registrars Sdn Bhd
(Company No. 378993-D)

Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A / 46
47301 Petaling Jaya, Selangor
Tel No : 603-7841 8000
Fax No : 603-7841 8008
www.symphony.com.my

REGISTERED OFFICE

Lot 767, Block 8
Muara Tebas Land District
Demak Laut Industrial Estate Phase III
Jalan Bako
93050 Kuching, Sarawak

CORPORATE OFFICE

Level 8, House No. 51,
Lot 435, Section 54, KTLD,
Travillion Commercial Centre,
Jalan Padungan,
93100 Kuching, Sarawak, Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: SCABLE
Stock Code: 5170

PROFILE OF DIRECTORS

Dato Sri Mahmud Abu Bekir Taib

Dato Sri Mahmud Abu Bekir Taib, aged 47 was appointed to the Board of Sarawak Cable Berhad as Non- Independent Non-Executive Chairman on 9 September 2009.

Having pursued his tertiary education in USA and Canada, he started his career as the founding member and Director of SSSB Management Services Sdn Bhd (formerly known as Sarawak Securities Sdn Bhd), Sarawak's first stock-broking company, which is now a part of Kenanga Investment Bank Berhad. During his tenure, he acquired extensive experience in the stock-broking and corporate sectors.

He is currently the Deputy Group Chairman of Cahya Mata Sarawak Berhad ("CMS") and a major shareholder of CMS. He is primarily responsible for overseeing the infrastructure development arm of the CMS group of companies and sits on the boards of several key subsidiary companies of CMS.

He is also a director of several other private companies.

He has no conflict of interest in any business arrangement involving the Company and has had no convictions for any offences within the past 10 years.

PROFILE OF DIRECTORS

Datuk Fong Joo Chung

Datuk Fong Joo Chung, aged 61 was appointed to the Board of Sarawak Cable Berhad as Non-Independent Non-Executive Deputy Chairman on 9 September 2009. He is also the Chairman for both the Remuneration Committee and Nomination Committee.

He obtained a Bachelor of Law degree (LLB) with honours from the University of Bristol, United Kingdom, in June 1971. He was called to the English Bar by the Honourable Society of Lincoln's Inn, United Kingdom in November 1981.

He began his professional career as an advocate in Reddi & Co. Advocates, one of the leading law firms in Kuching, Sarawak in 1971 before being appointed as the State Attorney-General of Sarawak in August 1992. His service as the State Attorney-General of Sarawak ended on 31 December 2007 but he has been retained by the State Government of Sarawak in an advisory capacity and represented the State Government of Sarawak in Court as State Legal Counsel.

In 1996, he was appointed as the Non-Executive Director of Universal Cable (Sarawak) Sdn Bhd, our wholly-owned subsidiary.

He is currently the Non-Independent Non-Executive Director of Sarawak Energy Berhad, Independent Non-Executive Director of Encorp Berhad, Non-Independent Non-Executive Director of Bintulu Port Holdings Berhad and Independent Non-Executive Director of Lingui Development Berhad. He presently sits on the boards of several other private limited companies.

He has no conflict of interest in any business arrangement involving the Company and has had no convictions for any offences within the past 10 years.

Toh Chee Ching

Toh Chee Ching, aged 49 was appointed to the Board of Sarawak Cable Berhad as Chief Executive Officer on 1 October 2008 and Group Managing Director on 9 September 2009.

He first graduated with a Bachelor of Science degree from Campbell University, USA in 1986. He subsequently obtained a Master of Business Administration (majoring in Finance) degree from the Oklahama City University, USA, in 1988.

He began his professional career in 1989 when he joined Sonic Corporation in USA and in 1990, he joined Tien Ren Securities Corporation in Taiwan as a Research Analyst and was involved in the establishment of Tien Ren Securities Group in Taiwan. In 1991, he joined Hock Hua Bank Berhad (now part of Public Bank Berhad) and in 1992, he joined Sarawak Securities Sdn Bhd (currently known as K&N Kenanga Holdings Berhad) as the Head of Research and Development where he was leading a team of research analysts and supporting the Corporate Dealing Department.

In 2000, he was appointed as the Non-Executive Director of Universal Cable (Sarawak) Sdn Bhd ("UCS"), our wholly-owned subsidiary and subsequently appointed to the Executive Committee of UCS on 25 June 2001 and in 2009, he was appointed as UCS's Managing Director.

As our Group Managing Director/Chief Executive Officer and with more than 20 years working experience in the finance and financial advisory industry, he is primarily responsible for the entire operations and management, strategic and marketing directions, as well as business expansion and development of our Group.

He presently sits on the boards of several other private limited companies.

He has no conflict of interest in any business arrangement involving the Company and has had no convictions for any offences within the past 10 years.

PROFILE OF DIRECTORS

Dato' Seri H'ng Bok San

Dato' Seri H'ng Bok San, aged 71 was appointed to the Board of Sarawak Cable Berhad as Non-Independent Non-Executive Director on 9 September 2009. He is a member of the Remuneration Committee.

He attended courses in Business Administration and Accounting in Singapore. He began his career as a marketing representative for an international trading company in Penang, Malaysia before joining a Taiwanese cable manufacturing company in Singapore where he was in charge of the Singaporean and Malaysian markets.

Three years later, he returned to Malaysia to help in the setting up of Federal Cables Wire and Metal Manufacturing Berhad and was subsequently promoted to the position of Deputy General Manager and held this position for five years.

In 1976, he founded Leader Cable Industry Berhad ("LCIB") and implemented a restructuring and merger exercise between LCIB and Universal Cable (M) Berhad and established Leader Universal Holdings Berhad as the holding company listed on Bursa Malaysia Securities Berhad then known as The Kuala Lumpur Stock Exchange.

He is currently the Group Executive Deputy Chairman of Leader Universal Holdings Berhad, a substantial shareholder of the Company. To date, he has over forty years of experience in the manufacturing and marketing of power and telecommunication cables.

In 1990, he was appointed as the Non-Executive Director of Universal Cable (Sarawak) Sdn Bhd, our wholly-owned subsidiary.

He also sits on the boards of several private companies and is also the Executive Chairman of GUH Holdings Berhad, a public listed company.

He has no conflict of interest in any business arrangement involving the Company and has had no convictions for any offences within the past 10 years.

Yek Siew Liong

Yek Siew Liong, aged 51 was appointed to the Board of Sarawak Cable Berhad as Non- Independent Non-Executive Director on 9 September 2009. He is also a member of the Remuneration Committee.

He first obtained a Bachelor of Art (Honours) degree in Architecture and Environmental Design from the University of Nottingham, United Kingdom in 1983. He subsequently obtained a Bachelor of Architecture (Honours) degree from the University of Nottingham, England in 1986. He also obtained a Master of Business Administration degree from University of Aston in Birmingham, United Kingdom in 1988. He is currently a member of The Malaysian Institute of Chartered Secretaries and Administrators and the Institute of Approved Company Secretaries.

In 2005, he was appointed as the Non-Executive Director of Universal Cable (Sarawak) Sdn Bhd, our wholly-owned subsidiary.

He has many years of experience in timber trading, logging, tug boat and barge operations, timber and glue manufacturing, hospitality industry, property development and management, oil palm plantation and petrol station operations.

He is currently the Non-Independent Non-Executive Director of Latitude Tree Holdings Berhad, and a director in Hock Lee Asia Berhad, Hock Lee Resources Berhad and Cinacom Bintulu Berhad.

He is also a director of several other private companies.

He has no conflict of interest in any business arrangement involving the Company and has had no convictions for any offences within the past 10 years.

PROFILE OF DIRECTORS

Kevin How Kow

Kevin How Kow, aged 62 was appointed to the Board of Sarawak Cable Berhad as Independent Non-Executive Director on 8 October 2009. He is also the Chairman of the Audit Committee and member of the Nomination Committee.

He is a Fellow of the Institute of Chartered Accountants of England & Wales and the Institute of Certified Public Accountants in Singapore. He is a member of the Malaysian Institute of Accountant and the Malaysian Institute of Certified Public Accountants. He was made a partner of Ernst & Young, Malaysia in 1984 and served as Partner-in-charge of offices in Sabah and Sarawak.

From 1996 onwards, he was Partner-in-charge of the firm's practice in Sabah and Labuan until his retirement at the end of 2003.

His directorships in public companies include CMS, K&N Kenanga Holdings Berhad, Kenanga Investment Bank Berhad, Sabah Development Bank Berhad and Saham Sabah Berhad. He is also an Independent Non-Executive Director and Chairman of the Group Audit Committee of CMS.

He also sits on the boards of several private and public limited companies.

He has no conflict of interest in any business arrangement involving the Company and has had no convictions for any offences within the past 10 years.

Dato' Ahmad Redza bin Abdullah

Dato' Ahmad Redza bin Abdullah, aged 47 was appointed to the Board of Sarawak Cable Berhad as Independent Non-Executive Director on 8 October 2009. He is a member of the Audit Committee and Nomination Committee.

He first graduated with a Bachelor of Law degree (LLB) with Honours from the University of London, United Kingdom, in 1987. He subsequently obtained his Certificate in Legal Practice from University of Malaya in 1988.

In 1989, he was admitted to the High Court of Malaya. Currently, he is the Deputy Managing Partner of Messrs. Shahrizat Rashid & Lee and Head of Litigation and Dispute Resolution. He has extensive experience in civil and commercial litigation and is primarily involved in the field of defamation, arbitration and debt recovery for financial institutions. He also handles work in relation to labour and employment law, probate and matrimonial matters. He has also acted as counsel for various legal firms in his area of expertise.

He is an Ahli Lembaga Kehormat (ALK) of Koperasi Pekerja-Pekerja Era Baru Bhd ("KOERA") and the Chairman of The Victoria Institution Old Boys Association ("VIOBA") Foundation.

Currently, he sits on the boards of several private limited companies.

He has no conflict of interest in any business arrangement involving the Company and has had no convictions for any offences within the past 10 years.

PROFILE OF DIRECTORS

Erman bin Radin

Erman bin Radin, aged 33 was appointed to the Board of Sarawak Cable Berhad as Independent Non-Executive Director on 8 October 2009. He is a member of the Audit Committee.

He first graduated from the Japan Technical Research Preparation Centre in Universiti Teknologi Malaysia, Kuala Lumpur in 1997. He subsequently obtained an Associate Degree majoring in Information Engineering and Computer Science from the Takuma National College of Technology in Japan in March 2000.

He began his professional career as an Assistant in Taiyo Yuden (Sarawak) Sdn Bhd in 2000 and subsequently joined Amrtur Corporation Sdn Bhd, Brunei Darussalam as an Information Technology and Data Manager in 2008. He is primarily responsible for the development and implementation of all information technology facilities covering hardware, software and services. In addition, he conducts in-house information technology training to the company's staff, and plays an integral role in overseeing the overall information technology system of the company.

He presently sits on the board of a private limited company.

He has no conflict of interest in any business arrangement involving the Company and has had no convictions for any offences within the past 10 years.

Kon Ted Liuk

Kon Ted Liuk, aged 56 was appointed to the Board of Sarawak Cable Berhad as alternate Director to Dato' Seri H'ng Bok San @ H'ng Ah Ba on 15 October 2009.

He first graduated with a Bachelor of Business in Accounting degree, with a Distinction, from the Western Australia Institute of Technology, Perth, Western Australia in 1977. He then obtained a Graduate Diploma in Accounting degree from the New South Wales Institute of Technology, New South Wales, Sydney, Australia in 1979.

He is currently a Fellow Member of the Institute of Chartered Accountants in Australia and the Malaysian Institute of Chartered Secretaries and Administrators.

In 2001, he was appointed to the Executive Committee of Universal Cable (Sarawak) Sdn Bhd, our wholly-owned subsidiary and subsequently in 2004, he was appointed as the Non-Executive Director of UCS.

He is currently the Deputy Managing Director and Chief Operating Officer (cable & wire) of Leader Universal Holdings Berhad ("Leader Universal"), a substantial shareholder of the Company. He has been with the Leader Universal group of companies for the past 27 years and has extensive experience and knowledge of the cables and wires industry.

He also sits on the boards of several private and public limited companies.

He has no conflict of interest in any business arrangement involving the Company and has had no convictions for any offences within the past 10 years.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which gives a true and fair view of the financial position of the Group and of the Company and of the financial performance and the cash flows of the Group and the Company for the financial year.

As required by the Act and Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable Financial Reporting Standards in Malaysia, the provisions of the Act and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors consider that in preparing the financial statements for the year ended 31 December 2010 contained in this Annual Report, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates.

The Directors have responsibility for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Act.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 21 April 2011.

ACHIEVEMENTS AND MILESTONES

Major achievements and milestones of Sarawak Cable:

Year	Achievements and Milestones
1980	• Incorporation of Universal Cable (Sarawak) • Commenced business initially in the trading of power cables and wires
1982	• Commenced manufacturing of low voltage single core power cables and wires from our manufacturing plant in Pending, Kuching, Sarawak
1991	• Commenced manufacturing of low voltage multicore power cables and wires • Obtained product certification licence MS 136:1987 for "PVC Insulated Cables (non-armoured) for Electricity Power and Lighting" from SIRIM QAS International Sdn. Bhd. ("SIRIM")
1999	• Obtained MS ISO 9002:1994 Quality Management System from SIRIM
2002	• Obtained product certification licence MS 274:1995 for "PVC Insulated Cables for Electricity Supply" from SIRIM • Upgraded product certification licence MS 136:1987 to MS 136:1995 for "PVC Insulated Cable (non-armoured) for Electric Power and Lighting" from SIRIM • Awarded turnkey projects for the supply, installation and commissioning of cables and circuits, namely: - "Double circuit 48MVA 33kV systems from Salim 132kV substation to Alan Road 33kV substation Sibu"; - "33kV underground cable linking Sejingkat 132kV to Sejingkat substation and Port Senari substation"; and - " Cable laying works from 33kV Astana substation to Santubong"
2003	• Obtained MS ISO 9001:2000 Quality Management System from SIRIM • Awarded a turnkey project for the supply, installation and commissioning of cables and circuits, namely the "Turnkey underground cable laying project from Matang 275/132/33kV substation to Semariang new township 33/11kV substation"
2006	• Awarded a turnkey project for the supply, installation and commissioning of cables and circuits, namely the "Supply and installation of submarine cables for Simunjan and Igan"
2007	• Commenced operations in our new manufacturing plant in Demak Laut Industrial Estate Phase III, Kuching, Sarawak and commenced manufacturing of high voltage bare conductors, namely AAAC
2008	• Commenced operations in our new branch office and warehouse in Kota Kinabalu, Sabah • Commenced manufacturing of ACSR • Awarded a turnkey project for supply, installation and laying of submarine fibre optic cables across the Baram River at Marudi, Sarawak
2009	• Obtained MS ISO 9001:2008 Quality Management System from SIRIM • Official opening of manufacturing plant and administration building in Demak Laut Industrial Estate Phase III, Kuching, Sarawak.
2010	• Successfully listed on the Main Market of Bursa Malaysia Securities Berhad on 25 May. • Sarawak Cable successfully acquired 75% equity interest in Sarwaja Timur. • Sarawak Cable undertook a private placement of up to 5,000,000 ordinary shares, representing up to 4% of the issued and paid-up share capital of Sarawak Cable to identified institutional investors. All of the 5,000,000 ordinary shares were successfully placed out and fully subscribed at an issue price of RM1.20 per share. • Awarded a turnkey project for the design, supply, delivery, erection and commissioning of 275kV Murum to Murum Junction Transmission Line.

Successfully listed on the Main Market of Bursa Malaysia Securities Berhad on 25 May 2010

Prospectus Launching

SARAWAK CABLE'S COMMITMENT TO SOCIETY

Corporate Social Responsibility (CSR) has become an increasingly important concept both globally and within Malaysia.

Sarawak Cable regards CSR as a key element in ensuring long term employee and multi-stakeholders' trust. It can help to shape the kind of competitiveness model that we want, to earn commensurate profits, and to grow as a company. We see it as our continuing commitment and support for socially beneficial activities.

In 2010, we donated more than RM200,000 to charitable organisations, including Sarawak Heart Foundation, Lembaga Kebajikan Anak-Anak Yatim Sarawak, Kidney Association of Sarawak, Masjid Demak Baru, Lions Nursing Home and Kuching Autistic Association.

More than money

As a responsible corporate citizen we give more than money - we build social capital. A growing number of our employees committed time and energy to become regular blood donors – with the support and encouragement of Sarawak Cable.

Sustainable ecological operations

Sustainable ecological operations mean doing more. They mean using fewer natural resources and creating as little emissions as possible in our operational processes. They mean raising awareness of climate change issues – among employees, clients, business partners, and shareholders.

Our strategy for reaching climate neutrality

We have defined the following three (3) strategies in order to reduce our carbon emissions:

1. Energy efficiency and reducing consumption
2. Redesigning buildings and IT infrastructure in accordance with carbon avoidance
3. Purchasing top-grade certificates (CER) to neutralize the remaining carbon emissions

We are expecting a reduction in water consumption per person as well as less manufacturing-related energy consumption per person.

Today, the business world could not function in the same way without information technology (IT), and this technology uses a large percentage of our total energy. The use of technology also represents an opportunity to avoid carbon emissions, for instance using video conferencing to replace air travel.

We will ensure that our use of IT applications and infrastructure will conserve the environment and natural resources during their whole life cycle; we actively seek opportunities to use the latest technology in order to reduce CO2 emissions and paper consumption, and to improve significantly our IT energy efficiency.

Safety@work

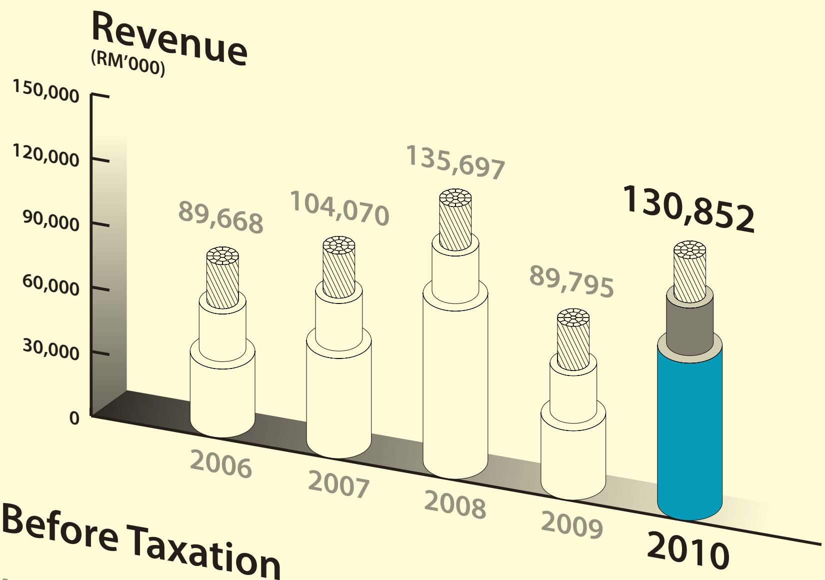
Occupational safety guidelines are deeply linked to country-specific legal regulations. To guarantee and continuously improve the most consistent and highest standard possible for the health and safety of our employees, clients, and visitors at Sarawak Cable, we adopt the occupational health and safety management system – OHSAS 18001.

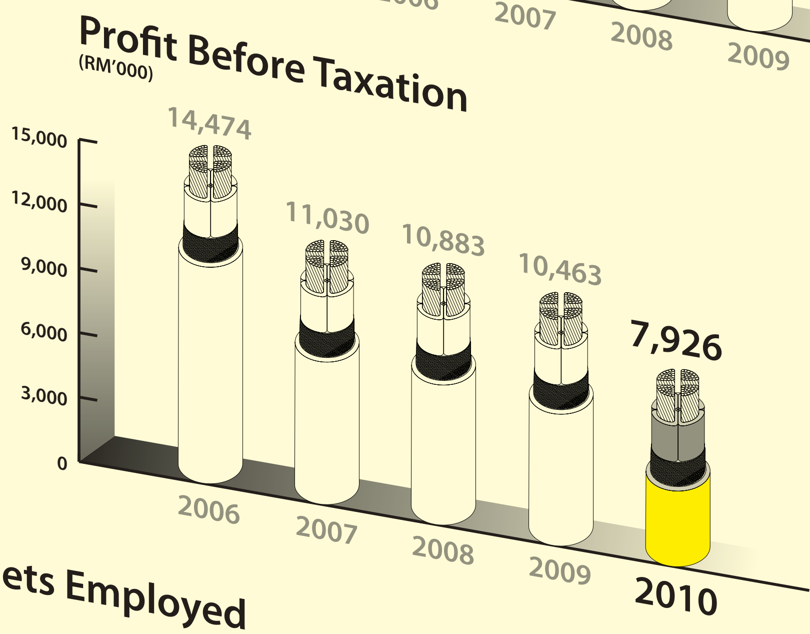
We trained our employees in occupational, fire, and health protection topics in Sarawak Cable. We conducted courses on occupational safety and accident prevention regulations annually and the low accident rate at work was maintained.

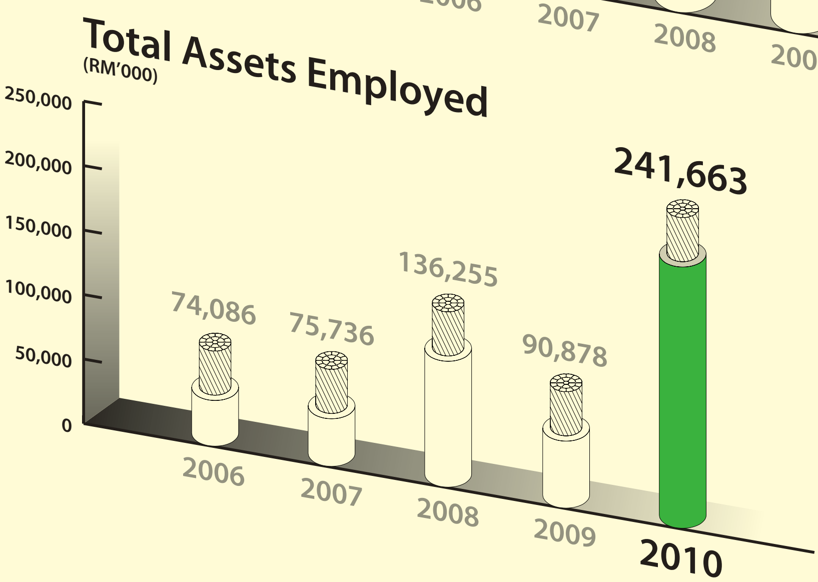
Sarawak Cable as an employer

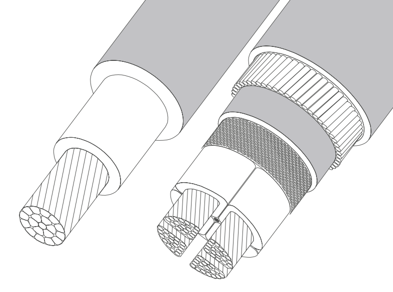
We know the performance of our employees is integral to the success of our business. For this reason, we are committed to motivating, supporting, and encouraging our employees. We reward performance and challenge them to turn their ideas into practice, assume responsibility and join in shaping our success. We strive to hire the best talent and help these individuals develop in a sustainable way throughout their working lives with the aim of strengthening their loyalty to our Group.

FINANCIAL REVIEW









AUDIT COMMITTEE REPORT

Composition

The Audit Committee ("the Committee") which was established on 16 October 2009 comprises the following members:

Kevin How Kow – Chairman
(Independent Non-Executive Director)

Dato' Ahmad Redza bin Abdullah – Member
(Independent Non-Executive Director)

Erman bin Radin - Member
(Independent Non-Executive Director)

Terms of reference of the Committee

Constitution

The Board shall ensure that the composition and functions of the Committee comply as far as possible with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as other regulatory requirements.

Membership

- The members of the Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, all being non-executive and the majority of whom are independent. No alternate director shall be appointed as a member of the Committee.
- At least one (1) member of the Committee:
  - (i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
  - (ii) must have at least three (3) years' working experience if he is not a member of MIA and:
    - (a) must have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or
    - (b) must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or;
    - (b) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- If membership of the Committee for any reason falls below three (3) members, the Board shall, within three (3) months of that event, appoint such number of new members as may be required to fulfill the minimum requirement.
- The Chairman of the Committee must be elected from amongst themselves who is an independent director appointed by the Board.

Objectives of the Committee

- To enhance openness, integrity and accountability in the activities of the Group and the Company so as to safeguard the rights and interests of the shareholders.
- To provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices.
- To enhance the Group's and the Company's business effectiveness and efficiency, quality of the accounting and audit functions and strengthen the public's confidence in the reported results of the Group and the Company.
- To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the internal and external auditors.
- To enhance the independence of the internal audit functions.

AUDIT COMMITTEE REPORT

Functions of the Committee

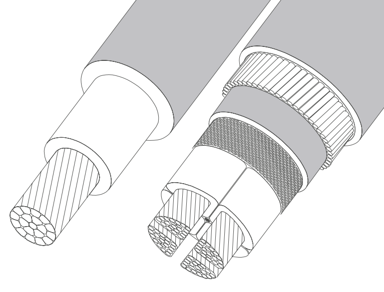
- To consider the nomination, appointment, re-appointment, resignation and dismissal of external auditors, the auditors' remuneration and any questions of resignation or dismissal.
- To consider whether there is reason (supported by grounds) to believe that the external auditors of the Group and the Company are not suitable for re-appointment.
- To review the nature and scope of audit plans prepared by the internal and external auditors before the audit commence, and ensure co-ordination where more than one (1) audit firm is involved.
- To review the audit reports prepared by the external auditors, the major findings and the management's responses thereto.
- To discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to bring up.
- To review the quarterly and annual financial statements of the Group and the Company primarily focusing on the matters set out below, before submission to the Board for approval:
  - any changes in or implementation of major accounting policies and practices, where applicable;
  - significant and unusual events;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other regulatory/legal requirements.
- To consider the internal audit reports, major findings and the management's responses thereto on any internal investigations carried out by the internal auditors and ensure that appropriate action is taken by the management in respect of the audit observations and the Committee's recommendations.
- To review the auditors' evaluation of the systems of internal controls.
- To review the adequacy of the scope, functions, competency and resources of the internal audit functions and whether it has the necessary authority to carry out its work.
- To review any appraisal or assessment of the performance of the members of the internal audit function.
- To approve any appointment or termination of senior staff members of the internal audit function.
- To be informed of any resignation of the internal audit staff members and to provide the resigning staff member an opportunity to submit his or her reasons for resigning.
- To review the assistance given by the Group's and the Company's employees to the internal and external auditors.
- To review any related party transaction and conflicts of interest situation that may arise within the Group or the Company including any transaction, procedure or course of conduct that raises questions of the management integrity.
- To perform such other functions as may be agreed to by the Committee and the Board.

Authority of the Committee

The Committee is authorised by the Board to:

- investigate any activity/matter within its terms of reference and shall have unrestricted access to all employees of the Group and the Company;
- have the resources in order to perform its duties as set out in its terms of reference;
- have full and unrestricted access to any information pertaining to the Group and the Company;
- have direct communication channels with the internal and external auditors;
- obtain external legal or other independent professional advice as necessary; and
- convene meetings with the internal auditors, external auditors or both, excluding the attendance of the other Directors and employees of the Group and the Company.

Notwithstanding anything to the contrary hereinbefore stated, the Committee does not have executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Group and the Company.



AUDIT COMMITTEE REPORT

Meetings and minutes

- The Committee shall hold at least four (4) meetings a year.
- Additional meeting may be held as and when necessary, upon request by any Committee member, the management, internal or external auditors. The Internal Audit Manager and the Group Financial Controller are normally invited to attend the meetings. Other members of the Board, employees and representative of external auditors shall attend the meetings upon the invitation of the Committee.
- A resolution in writing signed by all Committee members shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member.
- The Committee shall meet with the external auditors, excluding the attendance of other Directors and employees of the Group and the Company, at least twice a year.
- The Secretary to the Committee shall be any one (1) of the joint company secretaries.
- Minutes of meetings shall be kept and distributed to each member of the Committee and the Board. The Chairman of the Committee shall report on each meeting to the Board.

Meetings in 2010

During the financial year ended 31 December 2010, the Committee held five (5) meetings.

The Committee held three (3) meetings with the external auditors on 20 May 2010, 27 August 2010 and 22 November 2010 without the presence of management and other Directors to discuss the results of the audit, extent of cooperation provided by the Company and officers and any other observations that they may have during the annual audit.

Activities of the Committee in financial year ended 31 December 2010

- Reviewed and approved the audit plans with the internal and external auditors.
- Reviewed the assistance given by the Group's and Company's officers to the external auditors.
- Reviewed accounting and audit issues, findings and other matters arising from the external audit and ensure that appropriate actions are taken.
- Reviewed the independence and objectivity of the external auditors and the services provided.
- Reviewed the adequacy of the internal audit plans, scope of examination and internal audit reports and ensure that appropriate action is taken by management in respect of the audit findings and the Committee's recommendation.
- Reviewed the quarterly results of the Group and of the Company prior to making a recommendation to the Board for approval and public release thereof.
- Reviewed related party transactions and procedures.

This Statement is made in accordance with a resolution of the Board of Directors dated 21 April 2011.

STATEMENT ON CORPORATE GOVERNANCE

The Board is committed to maintaining at all times a high standard of corporate governance as expressed in the Principles of and Best Practices in Corporate Governance set out in the Malaysian Code of Corporate Governance ("the Code") to safeguard the interests of shareholders and enhance shareholders' value.

The Code has served as a fundamental guide to the Board in discharging its principal duty to act in the best interests of the Company as well as managing the businesses and affairs of the Group efficiently.

In line with this, the Board is pleased to disclose below the manner in which it has applied the principles of good governance and the extent to which it has complied with the best practices set out in Part 2 of the Code. These disclosures are contained in this statement, the Statement on Internal Control and Audit Committee Report.

BOARD OF DIRECTORS

Board Balance and Independence

The Board consists of nine (9) members, comprising eight (8) Non-Executive Directors (including the Chairman) and one (1) Executive Director. Of the eight (8) Non-Executive Directors, three (3) are independent Directors and hence, fulfill the prescribed requirements of one-third ($^1/_3$) of the membership of the Board to be independent Board Members.

The composition of the Board assures a blend of members with diverse professional backgrounds, skills and extensive experience and knowledge in the areas of finance, legal, business, general management and strategy that has been the essence for the successful direction of the Group.

The presence of the Independent Non-Executive Directors is essential in providing unbiased and independent opinions, judgments and advices to ensure that the interests of the Group, shareholders, employees, customers, suppliers and other communities in which the Group conducts its business are well represented. The Independent Non-Executive Directors therefore lay a key role in corporate accountability.

The profile of each Director is set out under the section on "Profile of Directors" contained in this Annual Report.

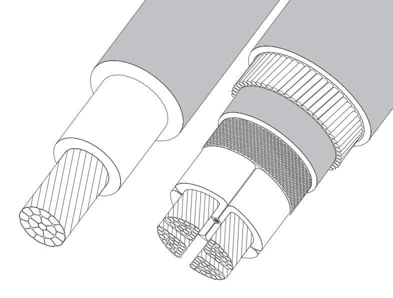
Roles and Responsibilities of the Board

The Company is led by the Board which is responsible for the overall business direction of the Group. The Board oversees the conduct of the Group's business affairs business operations and performance to ensure appropriate processes and internal controls are in place.

The Board appreciates the distinct roles and responsibilities of the Chairman of the Board and the Group Managing Director/ Chief Executive Officer. This division ensures that there is clear and proper balance of power and authority.

The Chairman's main responsibility is to ensure effective conduct of the Board and encourages participation and deliberation by all the Board members.

The Group Managing Director/ Chief Executive Officer has overall responsibilities over the Group's operational, organisational effectiveness and implementation of Board policies, directives, strategies and decisions.



Board Meetings

The Board meets on a quarterly basis at least four (4) times a year. Additional meetings are convened as and when necessary to deliberate and decide on urgent matters. The Board also exercises its approval through Directors' Circular Resolutions in writing which are subsequently tabled and confirmed at the Board meetings.

There were seven (7) Board meetings held during the financial year ended 31 December 2010 and details of the attendance of each Director are outlined as follows:

Directors	Attendance
Non-Executive	
Dato Sri Mahmud Abu Bekir Taib (Chairman)	5/7
Datuk Fong Joo Chung	7/7
Dato' Seri H'ng Bok San	4/7
Yek Siew Liong	4/7
Kevin How Kow	7/7
Dato' Ahmad Redza bin Abdullah	6/7
Erman bin Radin	6/7
Kon Ted Liuk (Alternate Director to Dato' Seri H'ng Bok San)	4/7
Executive	
Toh Chee Ching	7/7

All proceedings, matters arising, deliberations, in terms of the issue discussed, and resolutions at the Board meetings are recorded in the minutes by the Company Secretaries, confirmed by the Board and, signed by the Chairman. All Board meetings were attended by the Company Secretaries. Upon invitation, management representatives were present at the Board meetings to provide additional insight into matters to be discussed during the Board meetings.

Supply and Access to Information

The Board is supplied with and assured of full and timely access to all relevant information to discharge its duties effectively. The agenda together with the Board papers are furnished to the Board members in a timely manner prior to the Board meeting for consideration.

The Board papers include among others, the following documents or information:

- Minutes and matters arising from the previous meeting;
- Reports of meetings of all committees of the Board including matters requiring the full Board's deliberation and approval;
- Performance reports of the Group, including information on financial and industry updates;
- Report on operational, financial and technical matters;
- Related party transactions;
- New projects and/or investments;
- Dividend recommendation;
- Confirmation of Directors' Circular Resolution in writing passed;
- Board papers on other matters for discussion/ approval.

Additionally, the Board is also furnished with ad-hoc reports to ensure that they are appraised on financial, operational, corporate, legal and regulatory matters as and when the need arises.

The Directors have direct access to the advice and services of the Company Secretaries and other senior management staffs. The Board may at the Company's expense seek external and independent professional advice and assistance from experts in furtherance of their duties.

Re-election and Re-appointment of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board may hold office until the next Annual General Meeting ("AGM") subsequent to their appointment and shall then be eligible for re-election.

The Company's Articles of Association also provide that all Directors (including Group Managing Director/Chief Executive Officer) shall retire from office once at least in each three (3) years and one-third ($^1/_3$) of the Directors are subject to retirement by rotation at every AGM but are eligible to offer themselves for re-election.

Pursuant to Section 129(6) of the Companies Act, 1965, the office of a director of or over the age of seventy (70) years becomes vacant at every AGM unless he is re-appointed by a resolution passed at such AGM of which no shorter notice than that required for the AGM has been given and the majority by which such resolution is passed is not less than three fourths ($^3/_4$) of all members present and voting at such AGM.

Directors' Training

The Board is constantly encouraged to attend seminars and programmes to keep abreast with the latest developments in the market and industry.

The training seminars attended by the Board members are as follows:

- Understanding the roles and responsibilities of the Nomination and Remuneration Committee
- Mandatory Accreditation Programme for Directors of public listed companies
- Boardroom experience

Directors will evaluate their training needs on a continuous basis, by determining areas that would best strengthen their contributions to the Board.

Board Committees

The Board delegates certain responsibilities to the respective committees of the Board which operate within certain clearly defined terms of reference. These committees have the authority to examine particular issues and report to the Board with their proceedings and deliberations. On Board reserved matters, committees shall deliberate and thereafter state their recommendations to the Board for its approval.

During the Board meetings, the Chairmen of the various committees provide summary reports of the decisions and recommendations made at committee meetings, and highlight to the Board any further deliberation that is required at the Board level. These committee reports and deliberations are recorded into the minutes of the Board meetings.

Audit Committee

The Audit Committee was established on 16 October 2009 and its members were appointed by the Board. The Audit Committee comprises three (3) Independent Non-Executive Directors. This composition is in line with best practice under the Code.

During the year under review, five (5) meetings were held and attendance was as follows:

Independent Non-Executive Directors	Attendance
Kevin How Kow	5/5
Dato' Ahmad Redza bin Abdullah	5/5
Erman bin Radin	4/5

The terms of reference of the Audit Committee are set out under the section on "Audit Committee Report" contained in this Annual Report.

For the year under review, the Audit Committee had carried out its functions and duties as stipulated in the terms of reference. The Audit Committee also reviewed reports presented by the Internal Audit Department at each quarter.

The external auditors, Messrs. Ernst & Young attended the meetings held each quarter, where the Audit Committee had separate meetings with Messrs. Ernst & Young without the presence of management and other Directors.

Nomination Committee

The Nomination Committee was established on 16 October 2009 and its members were appointed by the Board. The Nomination Committee comprises three (3) Non-Executive Directors, the majority of whom are independent.

The Nomination Committee evaluates the effectiveness of the Board and Board Committees, including their size and composition, and contributions of each individual directors and committee members. The committee shall review the performance appraisal forms completed by each individual director and comments submitted by the directors and highlight them to the Board.

As the Company only obtained its listing on 25 May 2010, the first Nomination Committee meeting was only convened on 8 April 2011.

Sarawak Cable's Nomination Committee comprises the following members:
Datuk Fong Joo Chung – Chairman
Dato' Ahmad Redza bin Abdullah – Member
Kevin How Kow - Member

The terms of reference of the Nomination Committee are as follows:

- To identify and recommend to the Board, candidates for all directorships of Sarawak Cable to be filled by the shareholders or the Board;
- To consider, in making its recommendations, candidates for directorships, proposed by any director or shareholder;
- To recommend to the Board, directors to fill the seats on Board Committees;
- To evaluate the effectiveness of the Board and Board Committees and contributions of each individual director and members; and
- To ensure appropriate framework and plan for Board succession for Sarawak Cable.

Remuneration Committee

The Remuneration Committee was established on 16 October 2009 and its members were appointed by the Board. The Remuneration Committee comprises three (3) Independent Non-Executive Directors.

During the year under review, one (1) meeting was held and attendance was as follows:

Non-Independent Non-Executive Directors	**Attendance**
Datuk Fong Joo Chung - Chairman	1/1
Dato' Seri H'ng Bok San – Member	1/1
Yek Siew Liong - Member	1/1

The terms of reference of the Remuneration Committee are as follows:

- To assist the Board in achieving corporate accountability and governance in respect of the remuneration for executive directors of Sarawak Cable;
- To serve as a 'check and balance' mechanism for Sarawak Cable to fairly reward the executive directors for their contributions to overall performance and that the compensation is reasonable in the light of Sarawak Cable's objectives; and
- To make recommendation to the Board on fees and allowance of Non-Executive Directors.

DIRECTORS' REMUNERATION

The Directors' remuneration is to attract and retain Directors of the caliber needed to run the Group successfully.

In Sarawak Cable, the Remuneration Committee structured the remuneration for Executive Director so as to link rewards to corporate and individual performance, taking into consideration the scope of responsibilities, contributions and making comparison with market rate for similar position in comparable companies.

In the case of Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

Remuneration procedures

The Remuneration Committee recommends to the Board, the remuneration package for Executive Director and Non-Executive Directors.

Directors' fees payable to Non-Executive Directors recommended by the Remuneration Committee and approved by the Board are subject to approval by shareholders at Sarawak Cable's forthcoming AGM. The Executive Director is not entitled to any payment of Directors' fees by the Company.

Directors concerned do not participate in the approval of their own remuneration package.

Disclosure of Directors' Remuneration

Disclosure of Directors' Remuneration of directors of the Company for the financial year ended 31 December 2010 is as follows:

Aggregate Remuneration

	Executive Director		Non-Executive Directors		
	Sarawak Cable	Subsidiaries	Sarawak Cable	Subsidiaries	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Fees	-	37	920	160	1,117
Salaries and other emoluments	154	519	72	8	753
Benefits-in-kind	-	17	-	-	17
Total	154	573	992	168	1,887

Number of directors whose aggregate remuneration falls into the following bands:

	Executive Director	Non-Executive Directors	Total
<50,000	-	1	1
100,001 - 150,000	-	5	5
150,001 - 200,000	-	1	1
200,001 - 250,000	-	1	1
700,001 - 750,000	1	-	1

The above remuneration of the Directors of Sarawak Cable represents fees and remuneration paid and payable to Directors of the Company.

SHAREHOLDERS

Shareholders and Investor's Relations

The Board believes that the Group should be transparent and accountable to its shareholders and investors.

In ensuring this, Sarawak Cable has been actively communicating with its shareholders and stakeholders through the following medium:

- Release of financial results on a quarterly basis;
- Announcements to Bursa Malaysia Securities Berhad; and
- An Investor Relations section which can be contacted at ir@sarawakcable.com on any queries from shareholders and stakeholders.

Annual General Meetings

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders who are encouraged and are given sufficient opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns.

The notices of general meetings are issued to all shareholders at least fourteen (14) days or twenty one (21) days, where applicable, in accordance with the Company's Articles of Association, which includes any item of special business, will be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. Separate resolutions are proposed for substantially separate issues at the AGM.

ACCOUNTABILITY AND AUDIT

Financial reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors will endeavor to present a clear, balanced and understandable assessment of the Group's financial position, performance and prospects.

Internal Control

Please refer to the section on "Statement on internal control" contained in this Annual Report.

Internal Audit Functions

Please refer to the section on "Statement on internal control" contained in this Annual Report.

The total cost incurred for the internal audit functions for the financial year ended 31 December 2010 was RM 99,401.

Relationships with External Auditors

The Board and the external auditors maintained an independent and transparent relationship to ensure the Group's compliance with Financial Reporting Standards in Malaysia.

Before commencement of annual audit, the external auditors will present their audit plan and results of the audit conducted, overall findings and major issues are presented to the Audit Committee for deliberation.

This Statement is made in accordance with a resolution of the Board of Directors dated 21 April 2011.

OTHER INFORMATION

Non-Audit fees

Non-audit fees of RM 25,000 were paid to the external auditors for the financial year ended 31 December 2010 (2009: RM 5,000).

Status of utilisation of proceeds from corporate proposals

As at 31 December 2010, the balance of unutilised proceeds from the public issue of RM 5,236,000 has been earmarked for the following purposes:

Purpose	Proposed utilisation	Estimated timeframe for utilisation from date of listing
Purchase of machinery and equipment	3,471,000	Within 24 months
Investment in new subsidiary companies	1,000,000	Within 24 months
Additional investment in Sarawak Power Solutions Sdn. Bhd.	765,000	Within 12 months
	5,236,000	

Recurrent related party transactions of a revenue or trading nature in the normal course of business

During the financial year under review, the recurrent related party transactions conducted pursuant to the shareholder ratification and mandate are disclosed in the audited financial statements contained in this Annual Report.

Material contracts

As announced on 4 November 2010, UCS-Sinohydro Joint Venture, an unincorporated joint venture between Sarawak Cable's wholly-owned subsidiary, Universal Cable (Sarawak) Sdn. Bhd. and Sinohydro Corporation (M) Sdn. Bhd., received a Letter of Award from Sarawak Energy Berhad dated 1 November 2010 for the design, supply, delivery, erection and commissioning of 275KV Murum-Murum Junction Transmission Line. The contract value of the award is RM98,683,799.

Other than the above, there were no other material contracts entered into by the Group involving Directors and major shareholders interest during the financial year ended 31 December 2010.

Revaluation Policy

The Group's revaluation policy on landed properties is disclosed in the audited financial statements contained in this Annual Report.

STATEMENT ON INTERNAL CONTROL

Introduction

Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's (Bursa Malaysia) Listing Requirements states that a listed issuer must ensure that its Board of Directors include in its annual report "a statement about the state of internal control of the listed issuer as a group." Concurrently, the Revised Malaysian Code on Corporate Governance (2007) requires a listed company to maintain a sound system of internal control to safeguard shareholders' investment and the company's assets.

The Statement summarizes the processes that the Board has adopted in reviewing the adequacy and integrity of the system of internal control of the Group and also describes the scope and nature of its internal control. As the system of internal control of the Group is designed to manage risks that may impede the achievement of its business objectives, it can only provide reasonable assurance against material misstatement, loss, or fraud, rather than eliminate it completely.

Internal Control Structure

The two important elements of the Group's internal control framework are the Audit Committee and the Risk Management Committee.

Audit Committee

The Audit Committee, whose membership consists of 3 (three) independent non-executive directors, has the following major responsibilities in relation to both external and internal audit functions:

(i) External Audit
Members considered the appointment of external auditors and the audit fees involved. The nature and scope of annual audit was discussed before the audit commences.

In association with the external auditors, members reviewed the quarterly and year-end financial statements of the Group. Significant audit adjustments, auditors' management letter and management's response were duly reviewed too.

(ii) Internal Audit
The adequacy of scope, functions and resources of the internal audit department was reviewed by the Committee to ensure its relevance. The Internal Audit Charter, annual audit plans and frequency and the results of the internal audit process were deliberated, approved, and where appropriate, communicated to the Management for their action.

Internal Audit Department

The establishment of the Internal Audit function is a means of obtaining sufficient assurance of regular review and/ or appraisal of the effectiveness of the systems of internal controls within the Group. The role, mandate, authority and responsibility of the Internal Audit Department are defined in the Internal Audit Charter, which has been approved and tabled to the Board.

The following activities were undertaken by Internal Audit Department during the period under review:

- Formulation of annual Internal Audit Plan based on overall assessment of risk exposure, which was subsequently approved by the Audit Committee
- Carrying out of audit plans and programmes at selected departments/ operating units
- Attainment of management response on control issues identified
- Together with the Audit Committee, made suggestions and recommendations to the Management on the necessary improvement activities

Risk Management Committee

The Group's Risk Management Committee (RMC) was formed on 27 August 2010. The RMC is chaired by the Managing Director and is made up of two (2) other principal officers of the Group. The Committee's objective is to oversee the Group's risk management systems, practices and procedures to ensure effectiveness of risk identification and management, and compliance with internal guidelines and external requirements.

Operational Structure and Control Environment

The Group's operational structure is outlined by formal delegation of authority, reporting hierarchy and clearly defined roles and responsibility of the Board, Management and other members of the Group.

The Group's approved policies and procedures provide guidance for every member to execute duties, perform task and in dealing with internal or outside parties. In addition to this, there is also quality policy and objectives, mission and values, and the expected code of conduct that every member observes and upholds to the best of their ability.

The Management met regularly to discuss issues impacting operation, to identify business opportunity, to present and deliberate results, budgets and annual plans and identify ways for continuous improvement of Group's activities and operations.

Conclusion

With the establishment of relevant committees, policies and procedures, the Board is able to conclude that the Group's internal control system is both adequate and effective. Regular review activities carried out by the Internal Audit function and periodic discussions with the Audit Committee have revealed that there were no major or material non-compliance and breach of controls resulting in significant financial loss to the Group during the financial year under review.

This Statement is made in accordance with a resolution of the Board of Directors dated 21 April 2011.

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FINANCIAL STATEMENTS

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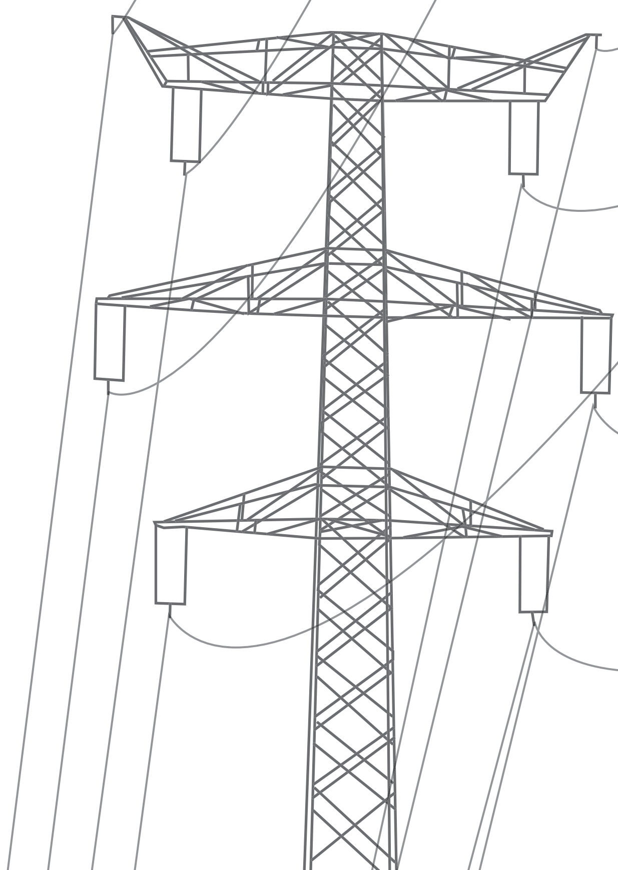


DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

Principal activity

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are described in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit net of tax	6,314	4,327
	======	======
Profit attributable to:		
Owners of the Company	5,506	4,327
Minority interests	808	-
	-------	-------
	6,314	4,327
	======	======

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than the effects arising from the changes in accounting policies due to the adoption of FRS 139 Financial Instruments: Recognition and Measurement which has resulted in an increase in the Group's profit net of tax by RM71,230 as disclosed in Note 2.2 to the financial statements.

Dividends

The amount of dividend paid by the Company since 31 December 2009 was as follows:

In respect of the financial year ended 31 December 2009 [i]:

	RM'000
Final tax exempt dividend of 2.5 sen per ordinary share on 107,000,000 ordinary shares declared on 8 April 2010 and paid on 22 April 2010	2,675
	======

i In addition to the final dividend as stated above, an interim tax exempt dividend of 2.5 sen per ordinary share on 107,000,000 ordinary shares was declared on 30 June 2009 and paid on 29 October 2009.

At the forthcoming Annual General Meeting, a final tax exempt dividend in respect of the financial year ended 31 December 2010 of 3 sen per ordinary share on 135,000,000 ordinary shares, amounting to a dividend payable of RM4,050,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of revenue reserves in the financial year ending 31 December 2011.

DIRECTORS' REPORT

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato Sri Mahmud Abu Bekir Taib
Datuk Fong Joo Chung
Dato' Seri H'ng Bok San
Yek Siew Liong
Toh Chee Ching
Kevin How Kow
Dato' Ahmad Redza bin Abdullah
Erman bin Radin
Kon Ted Liuk (Alternate director to Dato' Seri H'ng Bok San)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	← Number of ordinary shares of RM0.50 each →			
Name of director	**1.1.2010**	**Acquired**	**Sold**	**31.12.2010**
Direct Interest:				
Ordinary shares of company				
Dato Sri Mahmud Abu Bekir Taib	26,000,000	125,000	-	26,125,000
Datuk Fong Joo Chung	1,000,000	125,000	(510,000)	615,000
Dato' Seri H'ng Bok San	-	125,000	-	125,000
Yek Siew Liong	600,000	125,000	-	725,000
Toh Chee Ching	2,900,000	525,000	-	3,425,000
Dato' Ahmad Redza Abdullah	-	125,000	-	125,000
Erman bin Radin	-	125,000	-	125,000
Kon Ted Liuk (Alternate director to Dato' Seri H'ng Bok San)	-	125,000	(125,000)	-
Indirect Interest:				
Ordinary shares of company				
Dato' Seri H'ng Bok San	-	125,000 [1]	-	125,000
Toh Chee Ching	-	300,000 [2]	-	300,000
Deemed Interest:				
Ordinary shares of company				
Dato Sri Mahmud Abu Bekir Taib	22,080,000	510,000	(5,700,000) [3]	16,890,000
Dato' Seri H'ng Bok San	27,259,998	130,000	(6,650,000) [3]	20,739,998
Yek Siew Liong	22,080,000	510,000	(5,700,000) [3]	16,890,000

1 Interest by virtue of shares held by child.
2 Interest by virtue of shares held by spouse.
3 The sale of shares was part of the Offer for Sale undertaken by the Company in conjunction with the listing of the Company.

Directors' interests (contd.)

By virtue of their interests in the Company, all the directors (except for Kevin How Kow who does not have any interest in the Company or its related corporations) are also deemed interested in the shares of the subsidiaries to the extent that the Company has an interest.

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM 53,500,000 to RM 67,500,000 by way of:

(i) the issuance of 13,000,000 ordinary shares of RM 0.50 each at an issue price of RM 0.70 per ordinary share which was listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 25 May 2010;
(ii) the issuance of 5,000,000 ordinary shares of RM 0.50 each at an issue price of RM 1.20 per ordinary share for cash, as partial discharge of purchase consideration for the acquisition of a subsidiary company and/ or for additional working capital purposes; and
(iii) the issuance of 10,000,000 ordinary shares of RM 0.50 each at an issue price of RM 1.20 per ordinary share as partial discharge of purchase consideration for the acquisition of a subsidiary company.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

    (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

    (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

    (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

    (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

    (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

    (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Other statutory information (contd.)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events

Details of significant events are disclosed in Note 37 to the financial statements.

Subsequent event

Details of a subsequent event are disclosed in Note 38 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 April 2011.

Datuk Fong Joo Chung **Toh Chee Ching**

STATEMENT BY DIRECTORS

We, **Datuk Fong Joo Chung** and **Toh Chee Ching**, being two of the directors of **Sarawak Cable Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 41 to 88 are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of the financial performance and the cash flows of the Group and of the Company for the year then ended.

The supplementary information set out in Note 39 to the financial statements have been presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with the 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.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 April 2011.

Datuk Fong Joo Chung **Toh Chee Ching**

STATUTORY DECLARATION

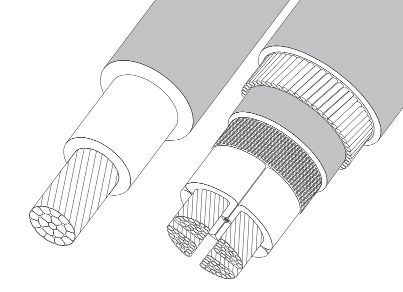
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Teoh Wen Jinq**, being the person primarily responsible for the financial management of **Sarawak Cable Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 41 to 88 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **Teoh Wen Jinq**
at Kuching in the State of Sarawak
on 21 April 2011

Teoh Wen Jinq

Before me,
Peter Sim Hoi Peng
Commissioner For Oaths
No. Q 078



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SARAWAK CABLE BERHAD
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of **Sarawak Cable Berhad**, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 87.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act, 1965 and Financial Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965, in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other matters

The supplementary information set out in Note 39 on page 88 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965, in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG
AF: 0039
Chartered Accountants

YONG VOON KAR
1769/04/12 (J/PH)
Chartered Accountant

Kuching, Malaysia
Date: 21 April 2011

STATEMENTS OF COMPREHENSIVE INCOME

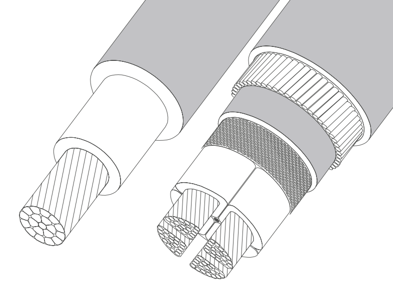
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Group		Company	
	Note	**2010** **RM'000**	**2009** **RM'000**	**2010** **RM'000**	**2009** **RM'000**
Revenue	4	129,525	89,795	6,000	3,000
Cost of sales		(116,225)	(74,466)	-	-
Gross profit		13,300	15,329	6,000	3,000
Other items of income					
Interest income	5	183	15	82	-
Other income	6	2,561	745	-	-
Other items of expense					
Marketing and distribution		(2,630)	(2,793)	-	-
Administrative expenses		(4,431)	(2,505)	(1,703)	(103)
Finance costs	7	(273)	(212)	(51)	-
Other expenses		(784)	(116)	(1)	-
Profit before tax	8	7,926	10,463	4,327	2,897
Income tax expense	11	(1,612)	(2,368)	-	-
Profit net of tax, representing total comprehensive income for the year		6,314	8,095	4,327	2,897
Attributable to:					
Equity holders of the Company		5,506	8,100	4,327	2,897
Minority interests		808	(5)	-	-
		6,314	8,095	4,327	2,897
Total comprehensive income attributable to:					
Equity holders of the Company		5,506	8,100	4,327	2,897
Minority interests		808	(5)	-	-
		6,314	8,095	4,327	2,897
Earnings per share attributable to equity holders of the Company (sen per share):					
Basic	12(a)	4.78	7.66		
Diluted	12(b)	4.78	7.66		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	55,200	34,655	31	25
Land use rights	15	9,008	2,833	-	-
Investments in subsidiaries	16	-	-	82,130	52,555
		64,208	37,488	82,161	52,580
Current assets					
Inventories	17	30,960	17,606	-	-
Trade and other receivables	19	129,228	30,168	149	9
Other current assets	21	6,569	1,172	-	805
Amount due from subsidiaries	20	-	-	50	10
Cash and bank balances	22	10,698	4,444	6,840	1,264
		177,455	53,390	7,039	2,088
TOTAL ASSETS		241,663	90,878	89,200	54,668
EQUITY AND LIABILITIES					
Current liabilities					
Borrowings	26	6,503	-	-	-
Trade and other payables	28	100,467	8,792	1,352	86
Other current liabilities	29	9,788	-	-	-
Amount due to a subsidiary	30	-	-	8,103	1,055
Tax payable		1,195	165	-	-
		117,953	8,957	9,455	1,141
Net current assets/(liabilities)		59,502	44,433	(2,416)	947



STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010 (contd.)

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Non-current liabilities					
Deferred tax liabilities	27	5,892	2,226	-	-
Total liabilities		123,845	11,183	9,455	1,141
Net assets		117,818	79,695	79,745	53,527
Equity attributable to owners of the Company					
Share capital	23	67,500	53,500	67,500	53,500
Reverse acquisition reserve		(37,300)	(37,300)	-	-
Share premium	23	10,590	24	10,590	24
Revaluation reserve	24	452	452	-	-
Revenue reserves	25	65,410	62,779	1,655	3
		106,652	79,455	79,745	53,527
Minority interests		11,166	240	-	-
Total equity		117,818	79,695	79,745	53,527
TOTAL EQUITY AND LIABILITIES		241,663	90,878	89,200	54,668

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

		Attributable to owners of the Company							
				Non-distributable		Distributable			
	Note	Share Capital (Note 23)	Reverse acquisition reserve	Share premium (Note 23)	Revaluation reserve (Note 24)	Revenue reserves	Total equity attributable to owners of the Company	Minority interests	Total equity
2010		**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group									
Opening balance 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	23	9,000	-	6,100	-	-	15,100	-	15,100
Share issuance expense	23	-	-	(2,534)	-	-	(2,534)	-	(2,534)
Acquisition of subsidiary company:									
Shares issued for acquisition	23	5,000	-	7,000	-	-	12,000	-	12,000
Minority interests	16	-	-	-	-	-	-	10,118	10,118
Dividends on ordinary shares	13	-	-	-	-	(2,675)	(2,675)	-	(2,675)
Closing balance at 31 December 2010		67,500	(37,300)	10,590	452	65,410	106,652	11,166	117,818

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010 (contd.)

		Attributable to owners of the Company							
				Non-distributable		Distributable			
2009	Note	Share Capital (Note 23) RM'000	Reverse acquisition reserve RM'000	Share premium (Note 23) RM'000	Revaluation reserve (Note 24) RM'000	Revenue reserves RM'000	Total equity attributable to owners of the Company RM'000	Minority interests RM'000	Total equity RM'000
Group									
Opening balance at 1 January 2009		52,300	(37,300)	-	452	57,354	72,806	-	72,806
Total comprehensive income		-	-	-	-	8,100	8,100	(5)	8,095
Transactions with owners:									
Shares issued for cash	23	1,200	-	24	-	-	1,224	245	1,469
Dividends on ordinary shares	13	-	-	-	-	(2,675)	(2,675)	-	(2,675)
Closing balance at 31 December 2009		53,500	(37,300)	24	452	62,779	79,455	240	79,695

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Share capital (Note 23) RM'000	Non-Distributable Share premium (Note 23) RM'000	(Accumulated losses)/ revenue reserves RM'000	Equity attributable to owners of the Company RM'000
2010					
Company					
Opening balance at 1 January 2010		53,500	24	3	53,527
Total comprehensive income		-	-	4,327	4,327
Transaction with owners:					
Shares issued for cash	23	9,000	6,100	-	15,100
Share issuance expense	23	-	(2,534)	-	(2,534)
Acquisition of subsidiary company:					
Shares issued for acquisition	23	5,000	7,000	-	12,000
Dividends on ordinary shares	13	-	-	(2,675)	(2,675)
Closing balance at 31 December 2010		67,500	10,590	1,655	79,745
Opening balance at 1 January 2009		52,300	-	(219)	52,081
Total comprehensive income		-	-	2,897	2,897
Transaction with owners:					
Shares issued for cash	23	1,200	24	-	1,224
Dividends on ordinary shares	13	-	-	(2,675)	(2,675)
At 31 December 2009		53,500	24	3	53,527

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Operating activities					
Profit before tax		7,926	10,463	4,327	2,897
Adjustments for:					
Allowance for impairment loss of trade receivables	8	464	-	-	-
Amortisation of land use rights	8	90	64	-	-
Amortisation of trade payables	6	(161)	-	-	-
Depreciation of property, plant and equipment	8	2,473	1,895	5	2
Dividend income		-	-	(6,000)	(3,000)
Expenses capitalised in prior year expense off		10	-	-	-
Formation expenses written off		-	6	-	-
Interest income	5	(183)	(15)	(82)	-
Interest expense	7	24	212	51	-
Inventories written off	8	438	30	-	-
Loss/(gain) on disposal of property, plant and equipment	8	31	(152)	1	-
Negative goodwill on acquisition	6	(778)	-	-	-
Reversal of allowance for impairment loss of trade receivables	6	(651)	(137)	-	-
Reversal of allowance for inventories obsolences	6	(187)	-	-	-
Unwinding of discounts		249	-	-	-
Operating cash flows before working capital changes		9,745	12,366	(1,698)	(101)
Changes in working capital:					
Decrease in inventories		3,832	10,867	-	-
(Increase)/decrease in trade and other receivables		(48,832)	39,288	(140)	(9)
(Increase)/decrease in other current assets		(4,216)	(467)	805	(312)
Increase/(decrease) in trade and other payables		43,276	(31,745)	1,266	81
Increase in other current liabilities		6,689	-	-	-
Increase in amount due to subsidiary		-	-	7,008	335
Total changes in working capital		749	17,943	8,939	95
Cash flows from/(used in) operations		10,494	30,309	7,241	(6)
Interest paid		(24)	(212)	(51)	-
Income taxes paid		(1,162)	(1,687)	-	-
Formation expenses paid		-	(6)	-	-
Net cash flows from/(used in) operating activities		9,308	28,404	7,190	(6)

STATEMENTS OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (contd.)

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Investing activities					
Investment in subsidiary	16	(17,098)	-	(17,575)	(255)
Purchase of property, plant and equipment	14	(1,267)	(3,740)	(16)	(27)
Proceeds from disposal of property, plant and equipment		58	384	4	-
Interest received		183	15	82	-
Dividend received		-	-	6,000	3,000
Net cash (used in)/ from investing activities		(18,124)	(3,341)	(11,505)	2,718
Financing activities					
Dividend paid on ordinary shares	13	(2,675)	(2,675)	(2,675)	(2,675)
Share issuance expense	23	(2,534)	-	(2,534)	-
Proceeds from issuance of ordinary shares	23	15,100	1,224	15,100	1,224
Proceeds from/(repayment of) bankers' acceptances		5,179	(21,032)	-	-
Repayment of hire purchase payables		-	(147)	-	-
Proceeds from issuance of shares to minority interests		-	245	-	-
Net cash from/ (used in) financing activities		15,070	(22,385)	9,891	(1,451)
Net increase in cash and cash equivalents		6,254	2,678	5,576	1,261
Cash and cash equivalents at 1 January		4,444	1,766	1,264	3
Cash and cash equivalents at 31 December	22	10,698	4,444	6,840	1,264

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2010

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot 767, Block 8, Muara Tebas Land District, Demak Laut Industrial Estate Phase III, Jalan Bako, 93050 Kuching, Sarawak.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are described in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 April 2011.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with Financial Reporting Standards ("FRSs" or "FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 4 *Insurance Contracts*
- FRS 7 *Financial Instruments: Disclosures*
- FRS 8 *Operating Segments*
- FRS 101 *Presentation of Financial Statements* (Revised)
- FRS 123 *Borrowing Costs*
- FRS 139 *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 2 *Share-based Payment - Vesting Conditions and Cancellations*
- Amendments to FRS 132 *Financial Instruments: Presentation*
- Amendments to FRS 139 *Financial Instruments: Recognition and Measurement,* FRS 7 *Financial Instruments: Disclosures* and IC Interpretation 9 *Reassessment of Embedded Derivatives*
- Improvements to FRS issued in 2009
- IC Interpretation 9 *Reassessment of Embedded Derivatives*
- IC Interpretation 10 *Interim Financial Reporting and Impairment*
- IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions*
- IC Interpretation 13 *Customer Loyalty Programmes*
- IC Interpretation 14 *FRS119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
- Technical Release *i*-3 *Presentation of Financial Statements of Islamic Financial Institutions*

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Company except for those discussed below:

FRS 7 *Financial Instruments: Disclosures*

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation*. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

FRS 8 *Operating Segments*

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the revised comparative information, are shown in Note 36 to the financial statements.

FRS 101 *Presentation of Financial Statements* (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 35).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

FRS 139 *Financial Instruments: Recognition and Measurement*

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of revenue reserves as at 1 January 2010. Comparatives are not stated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- Impairment of trade receivables
  Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of revenue reserves as at that date.

The following are effects arising from the above changes in accounting policies:

	Decrease	
	As at 31 December 2010 RM'000	**As at 1 January 2010 RM'000**
Group		
Statements of financial position		
Trade and other receivables	(825)	(200)
Trade and other payables	(225)	-
Revenue reserves	(600)	(200)
	======	=====

	Increase 2010 RM'000
Statement of comprehensive income	
Other income	784
Other expense	713
Profit before tax	71
Profit net of tax	71
	=====

2. Summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 132 *Classification of Rights Issues*	1 March 2010
FRS 1 *First-time Adoption of Financial Reporting Standards*	1 July 2010
FRS 3 *Business Combinations (revised)*	1 July 2010
Amendments to FRS 2 *Share-based Payment*	1 July 2010
Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 127 *Consolidated and Separate Financial Statements*	1 July 2010
Amendments to FRS 138 *Intangible Assets*	1 July 2010
Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 July 2010
IC Interpretation 12 *Service Concession Arrangements*	1 July 2010
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*	1 July 2010
Amendments to IC Interpretation 15 *Agreements for the Construction of Real Estate*	30 August 2010
Technical Release 3 *Guidance on Disclosures of Transition to IFRS*	31 December 2010
Amendments to FRSs *"Improvements to FRSs (2010)"*	1 January 2011
Amendments to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011
Amendments to FRS 1 *Additional Exemptions for First-time Adopters*	1 January 2011
Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions*	1 January 2011
Amendments to FRS 7 *Improving Disclosures about Financial Instruments*	1 January 2011
Amendments to IC Interpretation 13 *"Improvements to FRSs (2010)"*	1 January 2011
IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*	1 January 2011
IC Interpretation 18 *Transfers of Assets from Customers*	1 January 2011
Technical Release *i*-4 *Shariah Compliant Sale Contract*	1 January 2011
Amendments to IC Interpretation 14 *Prepayments of a Minimum Funding Requirement*	1 July 2011
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
FRS 124 *Related Party Disclosures*	1 January 2012
IC Interpretation 15 *Agreements for the Construction of Real Estate*	1 January 2012

2. Summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

Except for the changes in the accounting policies arising from the adoption of FRS 3 Business Combinations (Revised) and Amendments to FRS 127 Consolidated and Separate Financial Statements as well as the new disclosures requirement under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policies on the adoption of FRS 3 Business Combinations (Revised) and Amendments to FRS 127 Consolidated and Separate Financial Statements are described below.

FRS 3 Business Combinations (Revised) and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combination occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 *Statement of Cash Flows*, FRS 112 *Income Taxes*, FRS 121 *The Effects of Changes in Foreign Exchange Rates*, FRS 128 *Investments in Associates* and FRS 131 *Interest in Joint Ventures*. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. Summary of significant accounting policies (contd.)

2.5 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

2.6 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in the foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the transaction of monetary items, are included in profit or loss for the year.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.7 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The costs of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

2. Summary of significant accounting policies (contd.)

2.7 Property, plant and equipment and depreciation (contd.)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to revenue reserves on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings: over the remaining lease term of the land
- Motor vehicles: 5 years
- Plant and equipment: 5 to 20 years
- Office equipment: 5 to 6 years
- Furniture and fittings: 6 years
- Renovation: over the remaining lease term of the land

Assets under construction included in plant and equipment are not depreciated as these assets are not available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2. Summary of significant accounting policies (contd.)

2.9 Impairment of non-financial assets (contd.)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.10 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of its financial assets at initial recognition, and the category only includes loans and receivables.

(a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (contd.)

2.12 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 Construction contracts

When the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2. Summary of significant accounting policies (contd.)

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Raw materials: purchase costs on weighted average method

Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

(a) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowings costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowings of funds.

2. Summary of significant accounting policies (contd.)

2.18 Employees benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.19 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2.20 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Construction contracts

Revenue from construction contracts is accounted by the stage of completion method as mentioned in Note 2.14.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

2. Summary of significant accounting policies (contd.)

2.21 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (contd.)

2.21 Income taxes (contd.)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transactions costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustments to the carrying amount of the asset or liability affected in the future.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's receivables at the reporting date is disclosed in Note 19.

3. Significant accounting judgements and estimates (contd.)

3.1 Key sources of estimation uncertainty (contd.)

(b) Construction contracts

The Group recognises contract revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that construction contract costs incurred for work performed to date bear to the estimated total construction contract costs. Significant judgement is required in determining the stage of completion, the extent of the construction contract costs incurred, the estimated total construction contract revenue and costs, as well as the recoverability of the construction contract costs. In making the judgement, the Group relies on past experience and work of specialist.

4. Revenue

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sale of goods	114,520	89,795	-	-
Manufacturing, fabrication, galvanising and sale of steel structure	2,098	-	-	-
Construction revenue	12,907	-	-	-
Dividend income from subsidiary	-	-	6,000	3,000
	129,525	89,795	6,000	3,000

5. Interest income

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income from:				
Short term deposits with licensed banks	183	15	82	-

6. Other income

	Group	
	2010	**2009**
	RM'000	**RM'000**
Gain on disposal of property, plant and equipment	-	152
Gain on foreign exchange	6	-
Gain on stock	17	-
Insurance claim	226	37
Miscellaneous income	529	419
Reversal of allowance for impairment loss of trade receivables (Note 19)	651	137
Rental income	6	-
Negative goodwill on acquisition (Note 16)	778	-
Amortisation of trade payables	161	-
Reversal of allowance for inventory obsolescence	187	-
	2,561	745

7. Finance costs

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest expense on:				
Obligations under finance leases	-	3	-	-
Bankers' acceptances	24	209	-	-
Loans from subsidiary	-	-	51	-
Unwinding of discount	249	-	-	-
Total finance costs	273	212	51	-

8. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Auditors' remuneration				
- statutory audits	80	14	25	5
- under provision in previous year	11	-	5	-
- other services	25	20	25	5
Amortisation of land use rights (Note 15)	90	64	-	-
Allowance for impairment loss on financial assets:				
- trade receivables (Note 19)	464	-	-	-
Depreciation of property, plant and equipment (Note 14)	2,473	1,895	5	2
Loss/(gain) on disposal of property, plant and equipment	31	(152)	1	-
Employee benefits expense (Note 9)	5,752	4,027	300	-
Inventories written off	438	30	-	-
Non-executive directors' remuneration (Note 10)	1,160	164	992	-
Rental expense	91	90	53	51
Unrealised loss on foreign exchange	3	-	-	-

9. Employee benefits expense

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries, wages and bonus	4,930	3,546	262	-
Contributions to defined contribution plan	561	406	37	-
Social security contributions	49	35	1	-
Other benefits	212	40	-	-
	5,752	4,027	300	-

Included in employee benefits expense of the Group and the Company are executive director's remuneration amounting to RM710,265 (2009: RM480,948) and RM154,050 (2009: Nil) as further disclosed in Note 10.

10. Directors' remuneration

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive:				
Fees	37	36	-	-
Other emoluments	673	445	154	-
Total executive directors' remuneration (Note 9)	710	481	154	-
Non-executive:				
Fees	1,080	150	920	-
Other emoluments	80	14	72	-
Total non-executive directors' remuneration (Note 8)	1,160	164	992	-
Total directors' remuneration (Note 32)	1,870	645	1,146	-
Estimated money value of benefits-in-kind	17	17	-	-
Total directors remuneration including benefits-in-kind	1,887	662	1,146	-

10. Directors' remuneration (contd.)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed as bellow:

	Number of directors	
	2010	**2009**
Executive directors:		
RM450,001 - RM500,000	-	1
RM700,001 - RM750,000	1	-
Non-Executive directors:		
Less than RM50,000	1	4
RM100,001 - RM150,000	5	-
RM150,001 – RM200,000	1	-
RM200,001 - RM250,000	1	-

11. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2010 and 2009 are:

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Statements of comprehensive income:				
Current income tax:				
- Based on results for the year	2,057	1,930	-	-
- Over provision in respect of previous years	(179)	(55)	-	-
	1,878	1,875	-	-
Deferred income tax (Note 27):				
- Origination and reversal of temporary differences	167	493	-	-
- Relating to changes in tax rates	-	(69)	-	-
- (Over)/under provision in previous years	(433)	69	-	-
	(266)	493	-	-
Income tax expense recognised in profit or loss	1,612	2,368	-	-

11. Income tax expense (contd.)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2010 and 2009 are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Accounting profit before tax	7,926	10,463	4,327	2,879
	======	======	======	======
Tax at Malaysian statutory tax rate 25% (2009: 25%)	1,981	2,616	1,082	720
Adjustments:				
Effect of changes in tax rates on opening balance of deferred tax	-	(69)	-	-
Income not subject to tax	(225)	-	(1,500)	(750)
Non-deductible expenses	469	226	418	30
Reinvestment allowance claimed during the year	-	(419)	-	-
(Over)/under provision of deferred tax in previous years	(434)	69	-	-
Over provision of income tax in respect of previous years	(179)	(55)	-	-
	-------	-------	-------	-------
Income tax expense recognised in profit or loss	1,612	2,368	-	-
	======	======	======	======

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

12. Earnings per share

(a) Basic

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

	Group	
	2010	**2009**
Profit net of tax attributable to owners of the Company (RM'000)	5,506	8,100
Weighted average number of ordinary shares in issue ('000)	115,312	105,800
Basic earnings per share (RM) (sen per ordinary share)	4.78	7.66
	=========	=========

(b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share is presented as equal to basic earnings per share.

13. Dividends

	Group and Company 2010 RM'000	2009 RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final tax exempt dividend for 2009: 2.5 sen (2008: Nil) per share	2,675	-
- Interim tax exempt dividend for 2010: Nil (2009: 2.5 sen) per share	-	2,675
	2,675	2,675

At the forthcoming Annual General Meeting, a final tax exempt dividend in respect of the financial year ended 31 December 2010 of 3 sen per ordinary share on 135,000,000 ordinary shares, amounting to a dividend payable of RM4,050,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of revenue reserves in the financial year ending 31 December 2011.

14. Property, plant and equipment

	Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Group								
At 31 December 2010								
Cost or valuation								
At 1 January 2010	21,381	1,236	21,468	553	382	155	10	45,185
Additions	-	421	126	286	8	-	426	1,267
Disposals	(104)	-	(690)	(4)	-	-	-	(798)
Acquisition of subsidiary (Note 15)	15,735	252	5,761	96	6	-	-	21,850
Adjustment	-	-	-	-	-	-	(10)	(10)
At 31 December 2010	37,012	1,909	26,665	931	396	155	426	67,494
Representing:								
At cost	35,586	1,909	26,665	931	396	155	426	66,068
At valuation	1,426	-	-	-	-	-	-	1,426
At 31 December 2010	37,012	1,909	26,665	931	396	155	426	67,494
Accumulated depreciation								
At 1 January 2010	1,330	545	8,233	286	123	13	-	10,530
Depreciation charge for the year (Note 8)	491	251	1,561	111	54	5	-	2,473
Disposals	(18)	-	(690)	(1)	-	-	-	(709)
At 31 December 2010	1,803	796	9,104	396	177	18	-	12,294
Net carrying amount								
At cost	34,171	1,113	17,561	535	219	137	426	54,162
At valuation	1,038	-	-	-	-	-	-	1,038
At 31 December 2010	35,209	1,113	17,561	535	219	137	426	55,200

14. Property, plant and equipment (contd.)

	Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Group (contd.)								
At 31 December 2009								
Cost or valuation								
At 1 January 2009	21,159	1,225	20,517	536	322	155	55	43,969
Additions	204	358	2,151	62	77	-	888	3,740
Disposals	-	(347)	(2,115)	(45)	(17)	-	-	(2,524)
Reclassification	18	-	915	-	-	-	(933)	-
At 31 December 2009	21,381	1,236	21,468	553	382	155	10	45,185
Representing:								
At cost	19,955	1,236	21,468	553	382	155	10	43,759
At valuation	1,426	-	-	-	-	-	-	1,426
At 31 December 2009	21,381	1,236	21,468	553	382	155	10	45,185
Accumulated depreciation								
At 1 January 2009	936	503	9,123	268	88	9	-	10,927
Depreciation charge for the year (Note 8)	394	175	1,215	56	51	4	-	1,895
Disposals	-	(133)	(2,105)	(38)	(16)	-	-	(2,292)
At 31 December 2009	1,330	545	8,233	286	123	13	-	10,530
Net carrying amount								
At cost	18,979	691	13,235	267	259	142	10	33,583
At valuation	1,072	-	-	-	-	-	-	1,072
At 31 December 2009	20,051	691	13,235	267	259	142	10	34,655

14. Property, plant and equipment (contd.)

	Office Equipment RM'000
Company	
At 31 December 2009 and 31 December 2010	
Cost	
At 1 January 2009	-
Additions	27
At 31 December 2009 and 1 January 2010	27
Additions	16
Disposals	(6)
At 31 December 2010	37
Accumulated depreciation	
At 1 January 2009	-
Depreciation charge for the year (Note 8)	2
At 31 December 2009 and 1 January 2010	2
Depreciation charge for the year (Note 8)	5
Disposals	(1)
At 31 December 2010	6
Net carrying amount	
At 31 December 2010	31
At 31 December 2009	25

Certain buildings of the Group were revalued in 2007 by CH Williams Talhar Wong & Yeo, an independent professional valuer. Fair value is determined based on the open market basis.

At 31 December 2010, had the revalued buildings of the Group been carried under the cost model, the carrying amount would have been RM481,844 (2009: RM497,905).

Net carrying amount of property, plant and equipment held under hire purchase arrangements is Nil (2009: Nil).

15. Land use rights

	Group 2010 RM'000	Group 2009 RM'000
Cost:		
At 1 January	3,533	3,533
Acquisition of subsidiary (Note 16)	6,265	-
At 31 December	9,798	3,533
Accumulated amortisation:		
At 1 January	700	636
Amortisation for the year (Note 8)	90	64
At 31 December	790	700
Net carrying amount	9,008	2,833
Amount to be amortised:		
Not later than 1 year	192	66
Later than 1 year but not later than five years	766	265
Later than 5 years	8,050	2,502

16. Investments in subsidiaries

	Company 2010 RM'000	Company 2009 RM'000
Unquoted shares, at cost	82,130	52,555

Details of the subsidiaries, which are incorporated in Malaysia, are as follows:

Name of subsidiary	Principal activities	Proportion of ownership interest 2010 %	Proportion of ownership interest 2009 %
Held by the Company:			
Universal Cable (Sarawak) Sdn. Bhd. *	Manufacture and sale of power cables and wires	100	100
Sarawak Power Solutions Sdn. Bhd. *	Dormant	51	51
Sarwaja Timur Sdn. Bhd. *	Manufacture, fabrication, galvanising and sale of steel structures	75	-
Held through Sarwaja Timur Sdn. Bhd.:			
Sarwaja Engineering & Construction Sdn. Bhd. *	Undertake engineering and construction projects	100	-

* Audited by Ernst & Young, Malaysia

16. Investments in subsidiaries (contd.)

Acquisition of subsidiary

With the completion of a corporate proposal, Sarwaja Timur Sdn. Bhd. ("Sarwaja") became a subsidiary of the Group and was included in the Group effective 20 October 2010 by virtue of management control obtained by the Company in Sarwaja.

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

	Fair value RM'000	**Carrying amount RM'000**
Property, plant and equipment	21,850	16,683
Land use rights	6,265	3,839
Trade and other receivables	51,421	52,427
Inventories	17,437	17,437
Cash and cash equivalents	477	477
	97,450	90,863
Borrowings	1,324	1,324
Trade and other payables	45,592	45,963
Amount due to holding company	107	107
Provision rectification cost	1,700	-
Provision for legal claims	4,010	-
Deferred tax liability	3,932	2,034
Income tax payable	314	314
	56,979	49,742
Net identifiable assets	40,471	41,121

Total cost of business combination

The total cost of the business combination is as follows:

	RM'000
Cash paid	16,837
10,000,000 ordinary shares issued at RM1.20 each	12,000
Directly attributable professional fees	738
	29,575

As part of the cost of business combination, the Company issued 10,000,000 ordinary shares with a fair value of RM1.20 each, being the published price of the shares at the date of exchange to the vendor.

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

	RM'000
Total cost of the business combination	29,575
Less: Non-cash consideration	(12,000)
Consideration settled in cash	17,575
Less: Cash and cash equivalents of subsidiary acquired	(477)
Net cash outflow on acquisition	17,098

16. Investments in subsidiaries (contd.)

Acquisition of subsidiary (contd.)

Goodwill arising on acquisition	RM'000
Fair value of net identifiable assets	40,471
Less: Minority interests	(10,118)
Group's interest in fair value of net identifiable assets	30,353
Cost of business combination	(29,575)
Negative goodwill on acquisition (Note 6)	778

Impact of acquisition in Statement of comprehensive income

From the date of acquisition, Sarwaja has contributed RM2,582,411 to the Group's profit net of tax. If the combination had taken place at the beginning of the financial year, the Group's profit net of tax would have been RM4,007,407.

17. Inventories

	Group	
	2010 RM'000	**2009 RM'000**
Cost		
Trading products	16	-
Raw materials	13,229	4,549
Work-in-progress	6,696	4,557
Finished goods	11,005	8,213
Consumable stock	9	9
	30,955	17,328
Net realisable value		
Finished goods	5	278
	30,960	17,606

18. Gross amount due from/(to) customers for contract work-in-progress

	Group	
	2010 RM'000	**2009 RM'000**
Construction contract costs incurred to date	181,478	-
Attributable profits	17,796	-
	199,274	-
Less: Progress billings	(204,351)	-
	(5,077)	-
Presented as:		
Gross amount due from customers for contract (Note 21)	4,711	-
Gross amount due to customers for contract work (Note 29)	(9,788)	-
	(5,077)	-
Retention sums on construction contract included in trade receivables	40,012	-

18. Gross amount due from/(to) customers for contract work-in-progress (contd.)

	Group	
	2010	**2009**
	RM'000	**RM'000**
The costs incurred to date on construction contracts include the following charges during the financial year:		
Interest expense	38	-
Rental expenses for building	35	-
Advance received on contract, included within trade payables (Note 28)	337	-

19. Trade and other receivables

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables				
Third parties	123,212	30,386	-	-
Amount due from corporate shareholder	3,496	-	-	-
	126,708	30,386	-	-
Less: Allowance for impairment	(1,583)	(498)	-	-
	125,125	29,888	-	-
Other receivables				
Refundable deposits	1,563	45	17	-
Other receivables	352	235	132	9
Down payments	2,188	-	-	-
	4,103	280	149	9
Total trade and other receivables	129,228	30,168	149	9

19. Trade and other receivables (contd.)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2009: 30 to 90 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2010	**2009**
	RM'000	**RM'000**
Neither past due nor impaired	51,055	9,090
1 to 30 days past due not impaired	22,967	4,087
31 to 60 days past due not impaired	5,486	10,312
61 to 90 days past due not impaired	7,913	1,176
91 to 120 days past due not impaired	11,179	721
More than 121 days past due not impaired	17,156	1,396
	64,701	17,692
Impaired	10,952	3,604
	126,708	30,386

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. More than 69.9% (2009: 94.0%) of the Group's trade receivables arise from customers with more than four years of experience with the Group and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM64,701,158 (2009: RM17,691,928) that are past due at the reporting date but not impaired and are unsecured in nature.

19. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired		Collectively impaired		Total	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Trade receivables- nominal amounts	804	-	10,148	3,604	10,952	3,604
Less: Allowance for impairment	(464)	-	(1,119)	(498)	(1,583)	(498)
	340	-	9,029	3,106	9,369	3,106

Movement in allowance accounts:

	Group	
	2010 RM'000	**2009 RM'000**
At 1 January	498	635
Effect of adopting FRS 139	200	-
Charge for the year (Note 8)	464	-
Reversal of allowance for impairment loss (Note 6)	(651)	(137)
Acquisition of subsidiary	1,072	-
At 31 December	1,583	498

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

Other receivables that are impaired

At the reporting date, the Group and the Company have not provided any allowance for impairment for the other receivables.

20. Amount due from subsidiaries

Amount due from subsidiaries are unsecured and non-interest bearing and repayable on demand.

21. Other current assets

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Prepaid operating expenses	1,858	1,172	-	805
Gross amount due from customers for contract work (Note 18)	4,711	-	-	-
	6,569	1,172	-	805

22. Cash and cash equivalents

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Cash in hand and at banks	3,653	1,794	1,795	1,264
Deposit with:				
Licensed banks	7,045	2,650	5,045	-
Cash and bank balances	10,698	4,444	6,840	1,264

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 14 days and one month depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2010 for the Group and the Company were 2.6% (2009: 1.7%) and 2.9% (2009: Nil) respectively.

For the purpose of the cash flow statements, cash and cash equivalents are as disclosed above.

23. Share capital and share premium

(a) Share capital

	Number of ordinary shares of RM0.50 each 2010 '000	Number of ordinary shares of RM0.50 each 2009 '000	Amount 2010 RM'000	Amount 2009 RM'000
Company				
Authorised:				
At 1 January and 31 December	200,000	200,000	100,000	100,000
Issued and fully paid:				
At 1 January	107,000	104,600	53,500	52,300
Issued for cash	-	2,400	-	1,200
Issued for listing of the Company	13,000	-	6,500	-
Issued for additional working capital	5,000	-	2,500	-
Issued for acquisition of subsidiary (Note 16)	10,000	-	5,000	-
At 31 December	135,000	107,000	67,500	53,500

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

23. Share capital and share premium (contd.)

(b) Share premium

	2010 RM'000	2009 RM'000
At 1 January	24	-
Issue of 2,400,000 ordinary shares of RM0.50 each at an issue price of RM0.51 each	-	24
Issued of 13,000,000 ordinary shares of RM0.50 each at an issue price of RM0.70 each	2,600	-
Share issuance expense	(2,534)	-
Issue of 5,000,000 ordinary shares of RM0.50 each at an issue price of RM1.20 each	3,500	-
Issue of 10,000,000 ordinary shares of RM0.50 each at an issue price of RM1.20 each	7,000	-
At 31 December	10,590	24

24. Revaluation reserve

The revaluation reserve represents surplus arising from the revaluation of buildings.

25. Revenue reserves

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

As at 31 December 2010 and 2009, the Section 108 balance of the Company is Nil. The Company may distribute dividends out of its entire revenue reserves under the single tier system.

26. Borrowings

	Group	
	2010 RM'000	2009 RM'000
Current		
Unsecured:		
Bankers' acceptances	4,890	-
Secured:		
Bankers' acceptances	1,613	-
Total borrowings	6,503	-

26. Borrowings (contd.)

The unsecured bankers' acceptances bear effective interest rate ranging from 3.4% to 3.5%.

The secured bankers' acceptances bear effective interest rates ranging from 1.0% to 3.5% (2009: Nil) per annum and are secured by first legal charge over a subsidiary's land and a debenture covering fixed and floating charge over present and future assets of the subsidiary.

The remaining maturities of the borrowings as at 31 December 2010 are as follows:

	Group	
	2010	**2009**
	RM'000	**RM'000**
On demand or within one year	6,503	-
	======	======

27. Deferred tax liabilities

	Group	
	2010	**2009**
	RM'000	**RM'000**
At 1 January	2,226	1,733
Recognised in profit or loss (Note 11)	(266)	493
Acquisition of subsidiary (Note 16)	3,932	-
	––––––	––––––
At 31 December	5,892	2,226
	=====	=====
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	5,892	2,226
	=====	=====

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities

	Property, plant and equipment RM'000	**Others RM'000**	**Total RM'000**
Group			
At 1 January 2010	2,351	-	2,351
Recognised in profit or loss	350	40	390
Aquisition of subsidiary	3,932	-	3,932
	––––––	–––––	––––––
At 31 December 2010	6,633	40	6,673
	=====	====	=====
At 1 January 2009	1,883	-	1,883
Recognised in profit or loss	468	-	468
	––––––	–––––	––––––
At 31 December 2009	2,351	-	2,351
	=====	====	=====

27. Deferred tax liabilities (contd.)

Deferred tax assets

	Allowance for doubtful debts RM'000	Provision RM'000	Others RM'000	Total RM'000
Group				
At 1 January 2010	(125)	-	-	(125)
Recognised in profit or loss	(49)	(602)	(5)	(656)
At 31 December 2010	(174)	(602)	(5)	(781)
At 1 January 2009	(150)	-	-	(150)
Recognised in profit or loss	25	-	-	25
At 31 December 2009	(125)	-	-	(125)

28. Trade and other payables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables				
Third parties	82,552	6,203	-	-
Amount due to corporate shareholder	3,182	-	-	-
	85,734	6,203	-	-
Other payables				
Accruals	6,681	655	1,310	5
Other payables	2,177	1,934	42	81
Advance	165	-	-	-
Provision for contingencies	5,710	-	-	-
	14,733	2,589	1,352	86
Total trade and other payables	100,467	8,792	1,352	86

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 14 to 90 day (2009: 14 to 90 day) terms.

Amount due to corporate shareholder is non-interest bearing and repayable on demand.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 30 to 90 days (2009: average term of 30 to 90 days).

29. Other current liabilities

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Gross amount due to customers for contract work (Note 18)	9,788	-	-	-
	=====	=====	=====	=====

30. Amount due to a subsidiary

The amount due to a subsidiary is non-interest bearing and is repayable on demand. The amount is unsecured and is to be settled in cash.

31. Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Capital expenditure				
Approved and contracted for:				
Property, plant and equipment	593	6,131	-	-
Approved but not contracted for:				
Property, plant and equipment	8,757	635	-	-
	------	------	------	------
	9,350	6,766	-	-
	=====	=====	=====	=====

32. Related party disclosures

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sale of finished goods to:				
- Related companies	21,974	32,279	-	-
- Fellow subsidiary	6,208	-	-	-
Sale of project services to:				
- Related companies	7,654	-	-	-
Purchase of raw materials from:				
- Related companies	59,556	23,971	-	-
- Fellow subsidiary	1,327	-	-	-
Purchase of iron drums from:				
- Related companies	17	-	-	-
Rental expense paid to				
- A company related to a director	53	-	53	-
	=======	=======	======	======

32. Related party disclosures (contd.)

(a) Sale and purchase of goods and services (contd.)

Related companies:

These are subsidiaries and associates of Sarawak Energy Berhad and Leader Universal Holdings Berhad, excluding entities within the Group.

Company related to a director

The Group entered into a tenancy agreement for a period of twelve (12) months with Sarawak Capital Sdn. Bhd., a company of which one of the directors of the Company has interest. No balance was outstanding at the reporting date (2009: Nil).

The related party transactions were entered into by the Group and the Company under mutually agreed terms.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		**Company**	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term employee benefits	3,454	1,341	1,274	-
Contributions to defined contribution plan	285	143	37	-
	3,739	1,484	1,311	-
Included in the total key management personnel:				
Directors' remuneration (Note 10)	1,870	645	1,146	-

33. Fair value of financial instruments

The carrying amounts of the financial assets and liabilities approximate their fair value due to the relative short term maturity of these financial instruments.

34. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

34. Financial risk management objectives and policies (contd.)

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.

Credit risk concentration profile

The Group and the Company determine concentrations of credit risk by monitoring the trade and other receivables on an ongoing basis.

At the reporting date, approximately:

- 81.7% (2009: 49.3%) of the Group's trade receivables were due from 6 major customers located in Malaysia.
- 22.3% (2009: 35.4%) of the Group's trade receivables and other receivables were due from related parties, while 10% (2009: Nil) of the Company's receivables were balances with related parties.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 100% (2009: Nil) of the Group's borrowings (Note 26) will mature in less than one year based on the carrying amount reflected in the financial statements.

34. Financial risk management objectives and policies (contd.)

(b) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

		2010 RM'000		
	On demand or within one year	One to five years	Over five years	Total
Group				
Financial liabilities:				
Trade and other payables	100,467	-	-	100,467
Borrowings	6,503	-	-	6,503
Total undiscounted financial liabilities	106,970	-	-	106,970
Company				
Financial liabilities:				
Trade and other payables	1,351	-	-	1,351
Amount due to subsidiary	8,103	-	-	8,103
Total undiscounted financial liabilities	9,454	-	-	9,454

(c) Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

There is no interest rate risk for the Group and the Company as the interest rates for bankers' acceptance borrowings and fixed deposits are fixed until the maturity of the financial instruments.

Sensitivity analysis for interest rate risk

Sensitivity analysis is not disclosed because the Group and the Company have no significant net exposure to interest rate risk as at the reporting date.

34. Financial risk management objectives and policies (contd.)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currency of Group entities, primarily Ringgit Malaysia (RM). The foreign currencies in which these transactions are denominated are mainly US Dollars ("USD").

Approximately 8.2% (2009: 0.3%) of the Group's raw material purchases are denominated in foreign currencies . The Group's trade payable balances at the reporting date have similar exposures.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD exchange rates against the functional currency of the Group entities, with all other variables held constant.

		Group 2010 Profit net of tax RM'000
USD/RM	- strengthened 3% (2009: 3%)	(20)
	- weakened 3% (2009: 3%)	20
		=====

35. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 25% and 40%. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

As at reporting date, the Group and the Company are not subjected to externally imposed capital requirements.

35. Capital Management (contd.)

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Borrowings	26	6,503	-	-	-
Trade and other payables	28	100,467	8,792	1,352	86
Amount due to subsidiary	30	-	-	8,103	1,055
Less: Cash and bank balances	22	(10,698)	(4,444)	(6,840)	(1,264)
Net debt		96,272	4,348	2,615	(123)
Equity attributable to the owners of the Company		106,652	79,455	79,745	53,527
Total capital		106,652	79,455	79,745	53,527
Capital and net debt		202,924	83,803	82,360	53,404
Gearing ratio		47.4%	5.2%	3.2%	-0.2%

36. Segmental information

	Sales of cables and conductors		Sales of galvanised and transmission		Project sales		Corporate		Elimination entry		Total	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sales to external customers	114,520	89,795	2,098	-	12,907	-	-	-	-	-	129,525	89,795
Inter-segments sales	1,327	-	-	-	-	-	-	-	(1,327)	-	-	-
Total revenue	115,847	89,795	2,098	-	12,907	-	-	-	(1,327)	-	129,525	89,795
Segment results	5,201	10,788	415	-	3,535	-	(1,730)	(113)	-	-	7,421	10,675
Negative goodwill on acquisition											778	-
Financial costs											(273)	(212)
Profit before tax											7,926	10,463

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

37. Significant events

On 25 May 2010, the Company's entire issued and paid-up share capital of 120,000,000 of RM 0.50 each were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad.

On 20 October 2010, the Company entered into a Conditional Sales and Purchase Agreement to acquire 75% equity interest in Sarwaja for a total consideration of RM 28,875,000 to be satisfied via issuance of 10,000,000 new ordinary shares of RM 0.50 each in the Company at an issue price of RM 1.20 per share and the balance via cash payment of RM 16,837,000.

On event date, the Company proposed to undertake a private placement of up to 5,000,000 new ordinary shares, representing up to 4% of the issued and paid-up share capital of the Company.

The above-mentioned acquisition and private placement were approved by the shareholders of the Company and were thereby completed.

Details of the above-mentioned acquisition are disclosed in Note 16 to the financial statements.

38. Event occurring after the reporting date

On 18 February 2011, a building of a subsidiary, with net carrying value of RM1,634,667 was demolished to rectify the building non-compliance status. The financial statements for the year ended 31 December 2010 have not been adjusted for the financial effect of this incident. The adjustment will be taken up in the financial statements for the year ending 31 December 2011.

SUPPLEMENTARY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

39. Supplementary information - breakdown of revenue reserves into realised and unrealised profits

The breakdown of the revenue reserves of the Group and of the Company as at 31 December 2010 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 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.

	Group 2010 RM'000	Company 2010 RM'000
Total revenue reserves of the Company and its subsidiaries		
- Realised	72,891	1,655
- Unrealised	(1,960)	-
	70,931	1,655
Less: Consolidation adjustments	(5,521)	-
Revenue reserves as per financial statements	65,410	1,655

ANALYSIS OF SHAREHOLDINGS as at 3 May 2011

Authorised share capital	:	RM 100,000,000 divided into 200,000,000 ordinary shares of RM 0.50 each.
Issued and fully paid-up capital	:	RM 67,500,000 divided into 135,000,000 ordinary shares of RM 0.50 each.
Class of shares	:	ordinary shares of RM 0.50 each.
Voting rights	:	one (1) vote per ordinary share.

Distribution schedule of ordinary shares as at 3 May 2011

Holdings	No. of holders	Total holdings	%
Less than 100 shares	3	100	#
100 - 1,000 shares	232	163,700	0.12%
1,001 - 10,000 shares	868	5,018,102	3.72%
10,001 - 100,000 shares	360	11,171,502	8.27%
100,001 to less than 5% of issued shares	60	25,781,600	19.10%
5% and above of issued shares	4	92,864,996	68.79%
Total	1,527	135,000,000	100.00%

less than 0.01%

List of Substantial shareholders

as per the Register of substantial shareholders as at 3 May 2011

	Direct		Indirect	
Name	No. of shares held	%	No. of shares held	%
1 Sarawak Energy Berhad	29,109,998	21.56%	-	-
2 Dato Sri Mahmud Abu Bekir Taib	26,125,000 (1)	19.35%	16,890,000 (2)	12.51%
3 Leader Universal Holdings Berhad	20,739,998	15.36%	-	-
4 Central Paragon Sdn. Bhd	16,890,000 (3)	12.51%	-	-
5 Dato' Seri H'ng Bok San	125,000	0.09%	20,864,998 (4)	15.46%
6 Yek Siew Liong	725,000	0.54%	16,890,000 (7)	12.51%
7 UF Jaya Sdn. Bhd.	-	-	16,890,000 (2)	12.51%

List of Substantial shareholders (contd.)
as per the Register of substantial shareholders as at 3 May 2011

	Direct		Indirect	
Name	No. of shares held	%	No. of shares held	%
8 Baodi Development Sdn. Bhd.	-	-	16,890,000 (5)	12.51%
9 Yek Min Ek Sdn. Bhd.	-	-	16,890,000 (6)	12.51%
10 Dato Sri Yit Ming Yik @ Yek Min Ek	-	-	16,890,000 (7)	12.51%
11 Datin Sri Ting Phik Chai	-	-	16,890,000 (7)	12.51%
12 State Financial Secretary	-	-	29,109,998 (8)	21.56%
13 Delegateam Sdn. Bhd	-	-	29,109,998 (8)	21.56%

Notes:
(1) Held through AmSec Nominees (Tempatan) Sdn. Bhd.
(2) Deemed interested by virtue of their interest in Central Paragon Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.
(3) Held through EB Nominees (Tempatan) Sdn. Bhd.
(4) Deemed interested by virtue of his interest in Leader Universal Holdings Berhad and his child's interest pursuant to Section 6A and Section 134(12)(C) of the Companies Act, 1965 respectively.
(5) Deemed interested by virtue of its interest in UF Jaya Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.
(6) Deemed interested by virtue of its interest in Baodi Development Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.
(7) Deemed interested by virtue of their interests in Yek Min Ek Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.
(8) Deemed interested by virtue of their interests in Sarawak Energy Berhad pursuant to Section 6A of the Companies Act, 1965.

List of top thirty largest shareholders
as at 3 May 2011

Names	No. of shares held	%
1. Sarawak Energy Berhad	29,109,998	21.56%
2. AmSec Nominees (Tempatan) Sdn. Bhd. Pledged securities account AmIslamic Bank Berhad for Dato Sri Mahmud Abu Bekir Taib	26,125,000	19.35%
3. Leader Universal Holdings Berhad	20,739,998	15.36%
4. EB Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Central Paragon Sdn. Bhd.	16,890,000	12.51%
5. Toh Chee Ching	3,425,000	2.54%
6. HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	2,500,000	1.85%
7. Kumpulan Wang Simpanan Guru-Guru	2,500,000	1.85%
8. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Pui Chin Kim	1,237,000	0.92%
9. AmanahRaya Trustees Berhad PB Islamic Equity Fund	1,171,000	0.87%
10. Pui Siaw Min	1,010,000	0.75%

List of top thirty largest shareholders (contd.)

as at 3 May 2011

Names		No. of shares held	%
11.	Ching Seng Chai	877,000	0.65%
12.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Tiong Teck Mee (SIB)	814,300	0.60%
13.	Yek Siew Liong	725,000	0.54%
14.	Liew Kok Chiang	664,000	0.49%
15.	Larico Infrastructure Sdn. Bhd.	658,000	0.49%
16.	Datuk Fong Joo Chung	615,000	0.46%
17.	Kiu Siu Ley	550,000	0.41%
18.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Lo Kok Kiong	485,100	0.36%
19.	AmSec Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Lau Nguok Sing	450,000	0.33%
20.	Jayanata Sdn. Bhd.	446,000	0.33%
21.	Danice Endawie Ita	445,000	0.33%
22.	Hoo Ting Yen	407,900	0.30%
23.	Thavaraja Singam Nee Pushparanee	328,000	0.24%
24.	Bhoopindar Singh A/L Harbans Singh	270,000	0.20%
25.	Ting Chek Ting	257,000	0.19%
26.	Lu Yew Hung @ Lu Yew Hong	225,000	0.17%
27.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Kuek Eng Mong	220,000	0.16%
28.	Balakrisnen A/L Subban	200,000	0.15%
29.	Chai Hon Leong	200,000	0.15%
30.	Tee Siew Choon	200,000	0.15%

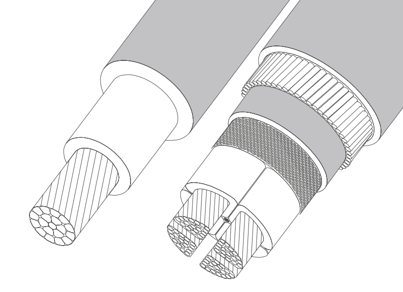
Directors' interests in the Company
as at 3 May 2011

	Direct		Indirect	
Names	No. of shares held	%	No. of shares held	%
1 Dato Sri Mahmud Abu Bekir Taib	26,125,000 (1)	19.35%	16,890,000 (2)	12.51%
2 Datuk Fong Joo Chung	615,000	0.46%	-	-
3 Toh Chee Ching	3,425,000	2.54%	700,000 (3)	0.52%
4 Dato' Seri H'ng Bok San	125,000	0.09%	20,864,998 (4)	15.46%
5 Yek Siew Liong	725,000	0.54%	16,890,000 (2)	12.51%
6 Kevin How Kow	-	-	-	-
7 Dato' Ahmad Redza bin Abdullah	-	-	-	-
8 Erman bin Radin	125,000	0.09%	-	-
9 Kon Ted Liuk (alternate director to Dato' Seri H'ng Bok San)	-	-	-	-

Notes:
(1) Held through AmSec Nominees (Tempatan) Sdn. Bhd.
(2) Deemed interested by virtue of their interests in Central Paragon Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.
(3) Deemed interested by virtue of his interest in Greatwall Tyre & Battery (Kuching) Sdn. Bhd and his spouse's interest pursuant to Section 6A and Section 134(12)(C) of the Companies Act, 1965 respectively.
(4) Deemed interested by virtue of his interest in Leader Universal Holdings Berhad and his child's interest pursuant to Section 6A and Section 134(12)(C) of the Companies Act, 1965 respectively.

Directors' interests in related corporation
as at 3 May 2011

None of the above Directors has any direct or indirect interests in shares in the related corporation, except for Dato Sri Mahmud and Dato' Seri H'ng Bok San who are deemed to have indirect interest in the related corporation of the Company by virtue of their interests in shares in the Company to the extent the Company has an interest in the related corporation, pursuant to Section 6A of the Companies Act, 1965.



LIST OF PROPERTIES as at 31 December 2010

Item No.	Name of Company	Location	Description	Tenure	Land/ Built-up area sq. ft	Age of Building	Net Book Value RM'000 at 31-12-2010	Date of Revaluation
1	Universal Cable (Sarawak) Sdn Bhd	Lot 1303 Section 66, Pending Industrial Estate, 93756 Kuching, Sarawak	Semi detached ready built factory	Leasehold interest 60 years expiring on 05.03.2041	10,120/ 10,890	29 years	394	31.12.2007
2	Universal Cable (Sarawak) Sdn Bhd	Lot 1304 Section 66, Pending Industrial Estate, 93756 Kuching, Sarawak	Semi detached ready built factory	Leasehold interest 60 years expiring on 05.03.2041	11,670/ 11,926	29 years	424	31.12.2007
3	Universal Cable (Sarawak) Sdn Bhd	Lot 2271 Section 66, Pending Industrial Estate, 93756 Kuching, Sarawak	Two (2)-storey detached building	Leasehold interest 60 years expiring on 05.03.2041	42,571/ 37,709	29 years	1,613	31.12.2007
4	Universal Cable (Sarawak) Sdn Bhd	Lot 767 Block 8, Muara Tebas Land District, Demak Laut Industrial Estate Phase III, 93050 Kuching, Sarawak	Three (3) adjoining units of single storey factory, three (3)-storey administrative block, a single storey product warehouse, a raw material warehouse and a guard house	Leasehold interest 60 years expiring on 02.11.2063	261,348/ 121,766	2 years	19,988	N/A
5	Sarwaja Timur Sdn Bhd	Lot 342, Block 8, Muara Tebas Land District, Jalan Kampung Sejingkat, Off Jalan Bako, 93050 Kuching, Sarawak.	Three (3) storey Administrative block, Galvanising plant, Fabrication plant, warehouse, canteen and guard house	Leasehold interest 60 years expriring on 6.11.2049	779,953/ 265,001	15 years	3,813	N/A

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth (13th) Annual General Meeting of the Company will be held at Lot 767, Block 8, Muara Tebas Land District, Demak Laut Industrial Estate Phase III, Jalan Bako, 93050 Kuching, Sarawak on Tuesday, 28 June 2011 at 10.00 a.m. to transact the following business:-

A G E N D A

<u>Ordinary Business</u>

1. To receive the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2010.

2. To declare a first and final dividend of 3 sen per ordinary share of RM0.50 each, tax exempt, for the financial year ended 31 December 2010. **Resolution 1**

3. To approve the payment of directors' fees amounting to RM920,000 for the financial year ended 31 December 2010. **Resolution 2**

4. To re-elect the following directors who retire pursuant to Article 86 of the Company's Articles of Association and being eligible, offer themselves for re-election:-
   (i) YBhg. Dato Sri Mahmud Abu Bekir Taib **Resolution 3**
   (ii) YBhg. Datuk Fong Joo Chung **Resolution 4**

5. To consider and if thought fit, to pass the following resolution:-
   "THAT pursuant to Section 129(6) of the Companies Act, 1965, YBhg. Dato' Seri H'ng Bok San @ H'ng Ah Ba be hereby re-appointed as a director of the Company to hold office until the conclusion of the next annual general meeting." **Resolution 5**

6. To re-appoint Messrs. Ernst & Young as auditors of the Company and to authorise the Directors to fix their remuneration for the ensuing year. **Resolution 6**

<u>Special Business</u>

7. *To consider and if thought fit, to pass the following ordinary resolution with or without modifications:-*

   - **Proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature ("Shareholder Mandates")** **Resolution 7**

     "**THAT** approval be hereby given to the Company and its subsidiaries ("SCB Group") to enter into any of the category of related party transactions which are recurrent, of a revenue or trading nature and are necessary for day-to-day operations of SCB Group as outlined in point 3.2 on pages 3 to 6 of the Circular to Shareholders dated 1 June 2011 ("Circular"), with the specific related parties mentioned therein subject further to the following:-

     (i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders; and

     (ii) disclosure is made in the annual report a breakdown of the aggregate value of the transactions conducted pursuant to the Shareholder Mandates during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements, and amongst others, based on the following information:-
     - the type of the recurrent related party transactions made; and
     - the names of the related party involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will continue to be in force until:-

(i) the conclusion of the next annual general meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") [but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act]; or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholder Mandates.

AND THAT the estimated value given on the recurrent related party transactions specified in point 3.2 of the Circular being provisional in nature, the Directors of the Company be hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures set out in point 3.4 of the Circular."

8. *To consider and if thought fit, to pass the following special resolution with or without modifications:-*

- **Proposed amendments to the Company's Articles of Association** **Resolution 8**

"(a) **THAT** the marginal note for Article 154(a) of the Company's Articles of Association be deleted in its entirety and replaced with the following new marginal note:

<u>Payment by cheque or warrant or through bank</u>

(b) **THAT** the existing Article 154(a) of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 154(a) :-

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant, sent through the post directed to the registered address of the Member or person entitled thereto, or if several persons are entitled in consequence of the death or bankruptcy of the holder, to any one (1) of such persons and to such address as such person may in writing direct or by directly crediting the dividend entitlement, interest or other money payable in cash into such Member's or person's bank account as provided to the Depository from time to time or by such other mode of electronic means (subject to the provisions of the Act, the Central Depositories Act, the Rules, the Listing Requirements of Bursa Malaysia Securities Bhd. and/or the guidelines of regulatory authorities).

Every such cheque or warrant or funds directly crediting into the bank account of the Member or person entitled thereto or through such other mode of electronic means shall be made payable to the order of the Member or person entitled thereto and shall operate as a good discharge to the Company, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged or that there is discrepancy in the details of the bank account(s) given by the Member or person entitled thereto.

Where the Members or persons entitled thereto have provided to the Depository the relevant contact details for the purpose of electronic notifications, the Company shall notify them electronically once the Company has paid the cash dividends out of its accounts.

No unpaid dividend or interest shall bear interest as against the Company."

9. To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been given in accordance with the Articles of Association of the Company and the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that the first and final dividend of 3 sen per ordinary share of RM0.50 each, tax exempt, in respect of the financial year ended 31 December 2010, if approved at the Thirteenth (13th) Annual General Meeting, will be payable on 28 July 2011 to depositors whose names appear in the Record of Depositors on 4 July 2011.

A depositor shall qualify for entitlement only in respect of:-

(a) shares transferred to the depositor's securities account before 4.00 p.m. on 4 July 2011 in respect of transfer; and
(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board,

Teoh Wen Jinq (MIA 25770)
Voon Jan Moi (MAICSA 7021367)
Company Secretaries

Kuching, Sarawak
Dated : 1 June 2011

Explanatory Notes on Special Business:-

(a) Ordinary resolution in relation to proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature

Paragraph 10.09 of the Main Market Listing Requirements states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations ("RRPT"), a public listed company may seek a shareholder mandate.

The proposed resolution No. 7 if passed, will authorise the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in point 3.2 of the Circular, which are necessary for the SCB Group's day-to-day operations, provided that such transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders.

By obtaining the Shareholder Mandates, the necessity to convene separate meetings from time to time to seek shareholders' approval as and when such RRPT occur would not arise. This would reduce substantial administrative time and costs associated with the convening of such meetings without compromising on the corporate objectives of the SCB Group or adversely affecting the business opportunities available to the SCB Group.

Please refer to the Circular for further information.

(b) Special resolution in relation to proposed amendments to the Company's Articles of Association

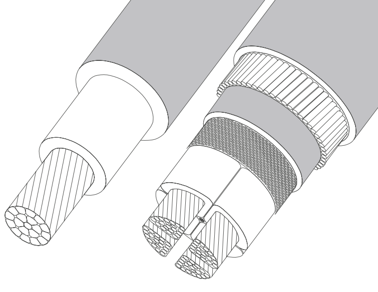
The proposed resolution No. 8 is to amend the Company's Articles of Association in line with the amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Bhd. in relation to the eDividend.

Notes:-

1. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965("Act") shall not apply to the Company.*
2. *To be valid, this form, duly completed must be deposited at the registered office of the Company at Lot 767, Block 8, Muara Tebas Land District, Demak Laut Industrial Estate Phase III, Jalan Bako, 93050 Kuching, Sarawak not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*
3. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
5. *If the appointor is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.*

SARAWAK CABLE BERHAD (Company No. 456400-V)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY



* I/We .... (Name in full) .... (*NRIC/Company No.)

of ....(Address)

being *a member/members of Sarawak Cable Berhad hereby appoint ....

(Name in full) .... (*NRIC/Passport No.) or failing *him/her, ...

(Name in full) .... (*NRIC/Passport No.) or the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Thirteenth (13th) Annual General Meeting of the Company to be held at Lot 767, Block 8, Muara Tebas Land District, Demak Laut Industrial Estate Phase III, Jalan Bako, 93050 Kuching, Sarawak on Tuesday, 28 June 2011 at 10.00 a.m. and, at any adjournment thereof for/against the resolution(s) to be proposed thereat.

*My/Our proxy is to vote as indicated below :-

No.	Resolutions	For	Against
1	To declare a first and final dividend of 3 sen per ordinary share of RM0.50 each, tax exempt, for the financial year ended 31 December 2010.		
2	To approve the payment of directors' fees amounting to RM920,000 for the financial year ended 31 December 2010.		
3	To re-elect YBhg. Dato Sri Mahmud Abu Bekir Taib as director.		
4	To re-elect YBhg. Datuk Fong Joo Chung as director.		
5	To re-appoint YBhg. Dato' Seri H'ng Bok San @ H'ng Ah Ba as director.		
6	To re-appoint Messrs. Ernst & Young as auditors for the ensuring year.		
7	Ordinary Resolution – To approve the proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature.		
8	Special Resolution – To approve the proposed amendments to the Company's Articles of Association.		

** Delete whichever is not desired*

Please indicate with an "X" in the appropriate box against each resolution how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

The proportions of my/our holdings to be presented by my *proxy/our proxies are as follows:-

First named proxy	%
Second named proxy	%
	100%

In case of a vote taken by a show of hands, the first named proxy shall vote on *my/our behalf.

Dated this .... day of ...., 2011

....
Signature of shareholder(s)/common seal

Notes:-
1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965("Act") shall not apply to the Company.
2. To be valid, this form, duly completed must be deposited at the registered office of the Company at Lot 767, Block 8, Muara Tebas Land District, Demak Laut Industrial Estate Phase III, Jalan Bako, 93050 Kuching, Sarawak not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

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AFFIX
STAMP
HERE

The Secretary

SARAWAK CABLE BERHAD
(Company No. 456400-V)

Registered Office
Lot 767, Block 8, Muara Tebas Land District,
Demak Laut Industrial Estate Phase III, Jalan Bako,
93050 Kuching, Sarawak, Malaysia.

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Sarawak Cable Berhad
(Company No. 456400-V)

Registered Office
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Jalan Bako, 93050 Kuching, Sarawak, Malaysia.
Tel : +6 082 433 111
Fax : +6 082 433 311

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