

CAHYA MATA SARAWAK BERHAD

(Company No.21076 - T)

SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended 30 September 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30.9.2012 RM'000	Preceding Year Corresponding Quarter 30.9.2011 RM'000	Current Period To Date 30.9.2012 RM'000	Preceding Year Corresponding Period 30.9.2011 RM'000
1 Revenue	288,284	240,759	810,827	725,089
2 Profit before tax	44,523	52,710	164,533	140,097
3 Profit for the period	29,547	48,034	121,210	115,390
4 Profit attributable to ordinary owners of the Company	22,142	38,140	100,583	96,508
5 Basic earnings per share (sen)	6.91	11.58	31.00	29.29
6 Proposed/Declared dividend per share (sen)	0.00	0.00	5.00	0.00
7 Net assets per share attributable to ordinary equity holders of the Company (RM)	As at end of current quarter		As at preceding financial year end	
	4.46		4.30	

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30.9.2012 RM'000	Preceding Year Corresponding Quarter 30.9.2011 RM'000	Current Period To Date 30.9.2012 RM'000	Preceding Year Corresponding Period 30.9.2011 RM'000
1 Gross interest income	3,222	2,231	7,753	9,517
2 Gross interest expenses	2,770	4,993	8,585	15,162

Note: The above information is for the Exchange internal use only.

CAHYA MATA SARAWAK BERHAD

(Company No: 21076-T)

(Incorporated in Malaysia)

Interim Financial Report

Condensed consolidated statements of comprehensive income for the period ended 30 September 2012

	Note	3 months ended		9 months ended	
		30.9.2012	30.9.2011	30.9.2012	30.9.2011
		RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
Revenue	A8	288,284	240,759	810,827	725,089
Cost of sales		(228,119)	(168,666)	(605,980)	(545,322)
Gross profit		60,165	72,093	204,847	179,767
Other income		2,419	2,695	13,958	18,817
Administrative expenses		(9,560)	(11,029)	(36,517)	(38,453)
Selling and marketing expenses		(2,202)	(1,295)	(6,740)	(5,554)
Other expenses		(3,621)	(5,385)	(5,541)	(9,954)
Operating profit		47,201	57,079	170,007	144,623
Finance costs		(2,794)	(5,096)	(8,672)	(15,376)
Share of results of associates		(819)	727	2,263	10,850
Share of results of jointly controlled entities		935	0	935	0
Profit before taxation		44,523	52,710	164,533	140,097
Income tax expense	B5	(14,976)	(4,676)	(43,323)	(24,707)
Profit for the period		29,547	48,034	121,210	115,390
Other comprehensive income					
Exchange fluctuation from translation of subsidiary's net asset		(20)	17	(41)	83
Share of associate's total comprehensive income		(1,525)	1,079	(2,129)	904
Other comprehensive income for the period, net of tax		(1,545)	1,096	(2,170)	987
Total comprehensive income for the period, net of tax		28,002	49,130	119,040	116,377
Profit attributable to:					
Owners of the Company		22,142	38,140	100,583	96,508
Non-controlling interests		7,405	9,894	20,627	18,882
		29,547	48,034	121,210	115,390
Total comprehensive income attributable to:					
Owners of the Company		20,677	39,179	98,528	97,425
Non-controlling interests		7,325	9,951	20,512	18,952
		28,002	49,130	119,040	116,377
		sen	sen	sen	sen
Earnings per share attributable to owners of the Company:					
Basic	B13	6.91	11.58	31.00	29.29
Diluted		6.86	11.57	30.83	29.28

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

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of financial position as at 30 September 2012

	Note	Unaudited As at 30.9.2012 RM'000	Unaudited As at 31.12.2011 (Restated) RM'000	Unaudited As at 1.1.2011 (Restated) RM'000
ASSETS				
Non-current assets				
Property, plant and equipment		474,535	458,692	325,545
Prepaid land lease payments		17,964	18,507	19,235
Land held for property development		63,438	63,309	62,924
Investment properties		5,890	5,978	6,095
Intangible assets		1,453	2,288	3,352
Goodwill		61,709	61,709	61,709
Investments in associates		332,165	293,235	279,421
Investments in jointly controlled entities		3,927	3,628	2,635
Deferred tax assets		10,810	10,810	16,700
Investment securities		417	300	300
		<u>972,308</u>	<u>918,456</u>	<u>777,916</u>
Current assets				
Property development costs		130,935	134,830	130,152
Inventories		107,068	90,333	86,727
Trade and other receivables		237,638	192,641	206,960
Other current assets		17,136	12,786	39,850
Investment securities		104,733	88,709	87,904
Tax recoverable		4,998	12,546	13,098
Cash and bank balances		549,014	650,272	773,484
		<u>1,151,522</u>	<u>1,182,117</u>	<u>1,338,175</u>
TOTAL ASSETS		<u>2,123,830</u>	<u>2,100,573</u>	<u>2,116,091</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital		331,066	329,481	329,446
Treasury shares		(12,568)	0	0
Share premium		430,931	427,590	427,516
Other reserves		25,143	26,284	14,786
Retained earnings		683,923	632,671	542,127
		<u>1,458,495</u>	<u>1,416,026</u>	<u>1,313,875</u>
Non-controlling interests		<u>196,076</u>	<u>186,000</u>	<u>155,674</u>
Total equity		<u>1,654,571</u>	<u>1,602,026</u>	<u>1,469,549</u>
Non-current liabilities				
Loans and borrowings	B7	45,577	67,303	174,686
Deferred tax liabilities		31,819	31,819	21,937
Trade payables		0	9,400	0
		<u>77,396</u>	<u>108,522</u>	<u>196,623</u>
Current liabilities				
Trade and other payables		226,028	226,042	210,707
Other current liabilities		10,012	9,562	12,595
Dividend payable	B12	12,251	0	0
Loans and borrowings	B7	125,450	148,444	219,900
Income tax payable		18,122	5,977	6,717
		<u>391,863</u>	<u>390,025</u>	<u>449,919</u>
Total liabilities		<u>469,259</u>	<u>498,547</u>	<u>646,542</u>
TOTAL EQUITY AND LIABILITIES		<u>2,123,830</u>	<u>2,100,573</u>	<u>2,116,091</u>
Net assets per share attributable to ordinary owners of the Company (RM)		<u>4.46</u>	<u>4.30</u>	<u>3.99</u>

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

Cahya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of changes in equity for the period ended 30 September 2012 (unaudited)

	Equity, total RM'000	< ----- Attributable to Owners of the Company ----- >						Non-controlling interests RM'000
		Equity attributable to owners of the Company RM'000	< ----- Non-distributable ----- >				Distributable	
			Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	
At 1 January 2012	1,600,748	1,414,815	329,481	0	427,590	36,655	621,089	185,933
Effect of transition to MFRS	1,278	1,211	0	0	0	(10,371)	11,582	67
	1,602,026	1,416,026	329,481	0	427,590	26,284	632,671	186,000
Total comprehensive income for the period	119,040	98,528	0	0	0	(2,055)	100,583	20,512
Transaction with owners:-								
Grant of equity-settled share options to employees	2,440	2,440	0	0	0	2,440	0	0
Exercise of employee share options	3,400	3,400	1,585	0	3,341	(1,526)	0	0
Purchase of treasury shares	(12,568)	(12,568)	0	(12,568)	0	0	0	0
Dividend payable	(12,251)	(12,251)	0	0	0	0	(12,251)	0
Dividends on ordinary shares	(37,080)	(37,080)	0	0	0	0	(37,080)	0
Dividends paid to non-controlling interests	(10,436)	0	0	0	0	0	0	(10,436)
	(66,495)	(56,059)	1,585	(12,568)	3,341	914	(49,331)	(10,436)
At 30 September 2012	1,654,571	1,458,495	331,066	(12,568)	430,931	25,143	683,923	196,076

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of changes in equity for the period ended 30 September 2012 (unaudited)

	Equity, total RM'000	< ----- Attributable to Owners of the Company ----- >					Non- controlling interests RM'000
		Equity attributable to owners of the Company RM'000	< ----- Non-distributable ----- >			Distributable	
			Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	
At 1 January 2011	1,468,280	1,312,667	329,446	427,516	25,157	530,548	155,613
Effect of transition to MFRS	1,437	1,368	0	0	(10,371)	11,739	69
	1,469,717	1,314,035	329,446	427,516	14,786	542,287	155,682
Total comprehensive income for the period as previously stated	116,465	97,513	0	0	917	96,596	18,952
Effect of transition to MFRS	(88)	(88)	0	0	0	(88)	0
Total comprehensive income for the period as restated	116,377	97,425	0	0	917	96,508	18,952
Transaction with owners:-							
Grant of equity-settled share options to employees	5,274	5,274	0	0	5,274	0	0
Issues of shares in subsidiaries	24,985	0	0	0	0	0	24,985
Exercise of employee share options	77	77	35	74	(32)	0	0
Dividends on ordinary shares	(24,711)	(24,711)	0	0	0	(24,711)	0
Dividends paid to non-controlling interests	(19,334)	0	0	0	0	0	(19,334)
At 30 September 2011	1,572,385	1,392,100	329,481	427,590	20,945	614,084	180,285

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of cash flows for the period ended 30 September 2012

	9 months ended 30.9.2012 RM'000	9 months ended 30.9.2011 RM'000
Profit before taxation	164,533	140,097
Adjustments for non-cash items:		
Non-cash items	26,306	7,770
Operating cash flows before changes in working capital	190,839	147,867
Changes in working capital		
Decrease in current assets	(62,277)	64,814
Decrease in current liabilities	(8,965)	(34,921)
Cash flows from operations	119,597	177,760
Interest received	7,753	9,517
Interest paid	(8,964)	(15,430)
Income tax paid, net of refund	(23,630)	(15,510)
Net cash flows from operating activities	94,756	156,337
Investing activities		
Purchases of investment securities	(42,100)	(50,250)
Dividends from investments	9,426	7,785
Dividends from associates	3,411	4,844
Acquisition of property, plant and equipment	(51,556)	(89,601)
Acquisition of investment properties	0	(23,745)
Proceeds from disposal of investments	27,535	51,333
Proceeds from issuance of shares to non-controlling interests	0	24,984
Net cash outflow arising from acquisition of subsidiaries	0	(24,655)
Redemption of redeemable preference shares	1,354	4,002
Additional investment in associates	(43,561)	(2,000)
Others	635	(349)
Net cash used in investing activities	(94,856)	(97,652)
Financing activities		
Net repayments of borrowings	(44,474)	(67,396)
Dividends paid to shareholders of the Company	(37,080)	(24,711)
Dividends paid to non-controlling interests in subsidiary companies	(10,436)	(19,334)
Proceeds from exercise of employee share options	3,400	77
Purchase of treasury shares	(12,568)	0
Net cash used in financing activities	(101,158)	(111,364)
Net decrease in cash and cash equivalents	(101,258)	(52,679)
Cash and cash equivalents as at 1 January	650,272	773,431
Cash and cash equivalents as at 30 September	549,014	720,752
Cash and cash equivalents as at 30 September comprise the following:		
Cash and short term funds	549,014	724,748
Bank overdrafts	0	(3,996)
	549,014	720,752

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

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

Part A – Explanatory notes pursuant to MFRS 134

A1. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 September 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

These condensed consolidated interim financial statements are the Group’s MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group’s financial performance, financial position and cash flows is set out in Note A2 below. These notes include reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of comprehensive income and the statement of cash flows.

A2. Summary of significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

A2. Summary of significant accounting policies and application of MFRS 1 (contd.)

(a) Business combination (contd.)

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded leasehold land and certain buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those land and buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of land and buildings during the year 1996 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The revaluation surplus of RM12,633,001 (30 September 2011: RM12,633,001; 31 December 2011: RM12,633,001) was transferred to retained earnings on date of transition.

(c) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM2,262,000 (30 September 2011: RM2,262,000; 31 December 2011: RM2,262,000) were adjusted to retained earnings.

(d) Investment properties

In accordance with FRS 140 Investment Property, the Group's investment properties are initially measured at cost. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Upon transition to MFRS, the Group has elected to apply the optional exemption to use the fair value at the date of transition as the deemed cost for its investment properties using cost model under MFRS 140 Investment Property.

The adjustments to the carrying amount of investment properties increased the depreciation charges for the period ended 30 September 2011 and 31 December 2011 by RM88,000 and RM117,000, respectively.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

A2. Summary of significant accounting policies and application of MFRS 1 (contd.)

(e) Effect on the share of an associate's MFRS adjustment

The Group's associate in the investment banking industry had previously under FRS as modified by Bank Negara Malaysia ("BNM") Guidelines, applied the transitional arrangement issued by BNM on Classification and Impairment Provisions for loans, advances and financing, whereby collective impairment allowance is maintained at 1.5% of total outstanding loans, net of individual impairment. This transitional arrangement was removed with effect from 1 January 2012.

Under the MFRS framework, the associate's accounting policy on collective impairment assessment has been changed to comply with MFRS 139 Financial Instruments: Recognition and Measurement. As a result of the change, the cumulative allowance under previous FRS has been adjusted and the Group adjusted for its share of the effect accordingly.

The Group's share of the MFRS adjustments were an increase in investments in associates of RM1,395,000 (30 September 2011: RM1,437,000; 31 December 2011: RM1,395,000) with corresponding adjustments to retained earnings of RM1,328,000 (30 September 2011: RM1,368,000; 31 December 2011: RM1,328,000) and non-controlling interests of RM67,000 (30 September 2011: RM69,000; 31 December 2011: RM67,000).

(f) Investment in associates

Under FRS, the Group's investments in associates are measured at cost plus post acquisition changes net of impairment, in the Group's share of net assets of the associates in accordance with FRS 128 Investments in Associates. At the date of transition to MFRS, a reporting entity may elect to use the fair value at the date of transition as the deemed cost for its investment in an associate. However, as this election is applicable to a reporting entity's separate financial statements, there is consequently no impact to the Group's investment in associates.

(g) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

CAHYA MATA SARAWAK BERHAD
(Company No. 21076-T)

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

A2. Summary of significant accounting policies and application of MFRS 1 (contd.)

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

(i) Reconciliation of equity as at 30 September 2011

	FRS As at 30.09.2011 RM'000	Note A2(b) Property, plant and equipment RM'000	Note A2(c) Foreign currency translation reserve RM'000	Note A2(d) Investment properties RM'000	Note A2(e) Share of associates' effect of transition to MFRS RM'000	MFRS As at 30.09.2011 RM'000
Assets						
Non-current assets						
Property, plant and equipment	429,477					429,477
Investment properties	6,095			(88)		6,007
Goodwill and intangible assets	64,276					64,276
Investments in associates	283,060				1,437	284,497
Other non-current assets	97,513					97,513
	<u>880,421</u>					<u>881,770</u>
Total current assets	1,279,297					1,279,297
Total assets	2,159,718					2,161,067
Equity and liabilities						
Equity						
Share capital	329,481					329,481
Share premium	427,590					427,590
Capital reserve	46,491	(12,633)				33,858
Translation reserve	(1,721)		2,262			541
Other reserves	(13,454)					(13,454)
Retained earnings	602,433	12,633	(2,262)	(88)	1,368	614,084
	<u>1,390,820</u>					<u>1,392,100</u>
Non-controlling interests	180,216				69	180,285
	<u>1,571,036</u>					<u>1,572,385</u>
Total non-current liabilities	176,385					176,385
Total current liabilities	412,297					412,297
Total equity and liabilities	2,159,718					2,161,067

CAHYA MATA SARAWAK BERHAD
(Company No. 21076-T)

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

A2. Summary of significant accounting policies and application of MFRS 1 (contd.)

(ii) Reconciliation of total comprehensive income for the quarter ended 30 September 2011 and for the 9 months ended 30 September 2011

	FRS Quarter ended 30.9.2011 RM'000	Note A2(d) Investment properties RM'000	MFRS Quarter ended 30.9.2011 RM'000	FRS 9 months ended 30.9.2011 RM'000	Note A2(d) Investment properties RM'000	MFRS 9 months ended 30.9.2011 RM'000
Revenue	240,759		240,759	725,089		725,089
Cost of sales	(168,636)	(30)	(168,666)	(545,234)	(88)	(545,322)
Gross profit	72,123		72,093	179,855		179,767
Other income	2,695		2,695	18,817		18,817
Administrative expenses	(11,029)		(11,029)	(38,453)		(38,453)
Selling and Other expenses	(6,680)		(6,680)	(15,508)		(15,508)
Operating profit	57,109		57,079	144,711		144,623
Finance costs	(5,096)		(5,096)	(15,376)		(15,376)
Share of results of associates	727		727	10,850		10,850
Share of results of jointly controlled entities	0		0	0		0
Profit before tax	52,740		52,710	140,185		140,097
Income tax expense	(4,676)		(4,676)	(24,707)		(24,707)
Profit for the period	48,064		48,034	115,478		115,390
Other comprehensive income for the period, net of tax	1,096		1,096	987		987
Total comprehensive income for the period, net of tax	49,160		49,130	116,465		116,377
Profit attributable to:						
Owners of the Company	38,170		38,140	96,596		96,508
Non-controlling interests	9,894		9,894	18,882		18,882
	48,064		48,034	115,478		115,390
Total comprehensive income attributable to:						
Owners of the Company	39,209		39,179	97,513		97,425
Non-controlling interests	9,951		9,951	18,952		18,952
	49,160		49,130	116,465		116,377

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

A3. Seasonal or cyclical factors

The business operations of the Group are generally non-cyclical or seasonal.

A4. Unusual items due to their nature, size and incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the period ended 30 September 2012.

A5. Changes in estimates

There were no changes in estimates that have had a material effect on the current quarter's results.

A6. Debt and equity securities

During the financial period ended 30 September 2012, the Company issued 1,585,200 ordinary shares of RM1.00 each for cash pursuant to the Company's Employee Share Option Scheme at an exercise price of RM2.20 per ordinary share.

During the 3 months ended 30 September 2012, the Company repurchased 4,265,900 of its issued ordinary shares from the open market at an average price of RM2.95 per share. The total consideration paid for the repurchase including transaction costs was RM12,567,927 and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

A7. Dividends paid

The first and final dividend of 15 sen per share less 25% tax for the financial year ended 31 December 2011 amounting to RM37,080,274 was paid on 27 July 2012.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

A8. Segmental information

	3 months ended		9 months ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Manufacturing	137,258	122,261	399,769	336,523
Construction & road maintenance	56,882	46,566	148,951	135,079
Construction materials	71,405	39,852	147,482	137,216
Services #	17,530	7,993	53,459	13,609
Property development	5,699	18,920	41,760	82,429
Others*	26,306	23,522	77,877	74,528
Total revenue including inter-segment sales	315,080	259,114	869,298	779,384
Elimination of inter-segment sales	(26,796)	(18,355)	(58,471)	(54,295)
	288,284	240,759	810,827	725,089
Segment Results				
Operating profit/(loss):				
Manufacturing	13,938	32,473	52,932	74,512
Construction & road maintenance ^	15,540	15,258	45,000	48,958
Construction materials	11,419	1,918	19,858	13,882
Services #	4,907	5,804	20,907	5,755
Property development	13	415	22,104	399
Others *	797	367	9,168	1,894
	46,614	56,235	169,969	145,400
Unallocated corporate expenses	(2,207)	(4,252)	(8,634)	(16,153)
Share of profit of associates	(819)	727	2,263	10,850
Share of profit of jointly controlled entities	935	0	935	0
Profit before tax	44,523	52,710	164,533	140,097
Income tax expenses	(14,976)	(4,676)	(43,323)	(24,707)
Net profit for the period	29,547	48,034	121,210	115,390

Lodging and catering services.

* Trading, financial services, education and others.

^ Included in the 2011 results was a gain on acquisition of RM11.42 million.

With effect from the first quarter, the Services Segment is shown as a reportable segment, separate from the Others Segment while the Trading Segment is included in the Others Segment. The comparatives are restated accordingly.

A9. Changes in the composition of the Group

There have been no changes in the composition of the Group for the quarter ended 30 September 2012 except for the increase in shareholdings in its associate, K&N Kenanga Holdings Berhad from 25.07% to 29.98% in September 2012 for a total purchase consideration of RM24,760,789 (via open market and a direct business transaction).

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

A10. Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities,

Level 2 - Inputs that are based on observable market data, either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data (unobservable inputs).

As at the reporting date, the Group held the following financial assets that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 September 2012				
Fair value through profit or loss:				
Fixed income debt securities	-	55,124	-	55,124
Equity instruments	21,431	-	-	21,431
Unit trust funds	28,178	-	-	28,178
	<u>49,609</u>	<u>55,124</u>	<u>-</u>	<u>104,733</u>
31 December 2011				
Fair value through profit or loss:				
Fixed income debt securities	-	52,838	-	52,838
Equity instruments	8,314	-	-	8,314
Unit trust funds	27,557	-	-	27,557
	<u>35,871</u>	<u>52,838</u>	<u>-</u>	<u>88,709</u>

There have been no transfers between any levels during the current interim period and the comparative period. There were also no changes in the purpose of any financial assets that subsequently resulted in a different classification of that asset.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

A11. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 September 2012 was as follows:

	RM'000
Capital expenditure for property, plant and equipment:	
- Approved and contracted for	33,553
- Approved but not contracted for	77,877
Other capital commitments:	
- Approved and contracted for	26,551
- Approved and not contracted for	6,667
	<u>144,648</u>

CAHYA MATA SARAWAK BERHAD

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012**A12. Related party transactions**

The following table provides information on the transactions which have been entered into with related parties during the nine-month period ended 30 September 2012 and 30 September 2011 as well as the balances with the related parties as at 30 September 2012 and 31 December 2011:

		Interest/ fee income from/sales to related parties RM '000	Purchases from/payment for services to related parties RM '000	Amounts owed by related parties RM '000	Amounts owed to related parties RM '000
Associates:					
- Kenanga Investment Bank Bhd	2012	486	-	-	-
	2011	853	-	-	-
- COPE-KPF Opportunities 1 Sdn Bhd	2012	2,055	-	-	-
	2011	1,276	-	-	-
- KKB Engineering Bhd	2012	6	81	-	-
	2011	-	1,582	-	741
- Harum Bidang Sdn Bhd	2012	-	4,034	-	-
	2011	-	-	-	5,734
- Kenanga Investors Bhd	2012	-	36	-	-
	2011	-	27	-	-
Jointly controlled entity:					
- PPES Works Wibawa JV	2012	27	-	13	-
	2011	-	-	-	-
Key management personnel of the Group:					
- Directors' interest	2012	-	1,445	-	35
	2011	-	1,429	-	72

All outstanding balances with these related parties are unsecured and are to be settled in cash within the financial year.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

A13. Changes in contingent liabilities and contingent assets

There were no changes in the contingent liabilities or contingent assets since the last annual reporting date except for the following:-

For the quarter under review, the Company has extended an unsecured corporate guarantee of RM31,000,000 to RHB Bank Berhad for banking facilities granted to OM Materials (Sarawak) Sdn. Bhd. (“OM”), an associate of a wholly-owned subsidiary, Samalaju Industries Sdn. Bhd.

The Company has on the basis of its twenty per cent (20%) ownership interest in OM, extended unsecured corporate guarantee to Syarikat Sesco Berhad (“SSB”) to guarantee the performance by OM of its obligations under the Power Purchase Agreement entered into between OM and SSB on 2 February 2012.

A14. Subsequent events

There were no material events subsequent to the statement of financial position date that have not been reflected in the financial statements.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

Part B – Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of performance

Quarter 3, 2012 vs. Quarter 3, 2011

The Group's 3rd quarter 2012 revenue of RM288.28 was 20% higher than the 3rd quarter 2011 revenue of RM240.76 million. However, the Group's profit before tax ("PBT") was 16% lower due mainly to reduced profitability suffered by the Manufacturing Division but was partially mitigated by the outstanding performance of Construction Materials Division in 2012's 3rd quarter.

Despite high sales volume, the Manufacturing Division's 3rd quarter 2012 PBT was lower than previous corresponding quarter due to the shutdown of its clinker plant, higher clinker cost and market demand being supported by imported cement.

The Construction Materials Division's 3rd quarter 2012 PBT was higher than previous corresponding quarter as the division benefited from the State Government special funding to JKR for maintenance of State road and "jalan kampung", the economic activities in Samalaju Industrial Park and Federal road maintenance programme. Previous corresponding quarter's PBT was adversely affected by a full impairment in receivables of RM3.03 million and delay in projects.

Year-to-date, 2012 vs. Year-to-date, 2011

The Group's revenue of RM810.83 million for the 9-month period ended 30 September 2012 ("PE2012") was 12% higher compared to the 9-month period ended 30 September 2011 ("PE2011") of RM725.09 million.

The increase in revenue mainly came from:

- i) Manufacturing Division – cement price increase, higher cement & ready-mix concrete volume;
- ii) Construction & Road Maintenance Division – contract rate increase for routine road maintenance;
- iii) Construction Materials Division – premix price increase and increase in JKR sales through State Government special funding; and
- iv) Services – more blocks of lodges.

However, the increase was partially offset by the Property Development Division's lower revenue as a development project was practically completed in January 2012.

In tandem with the increased revenue, the Group's PBT of RM164.53 million was 17% higher than RM140.10 million for PE2011. In addition to the above, the higher PBT was also attributable to:

- i) Property Development Division - land sale; and
- ii) Others Division - settlement sum received by an IT subsidiary following the favourable outcome from arbitration.

However, the increase was partially offset by the reduced profitability suffered by the Manufacturing Division due to the prolonged shutdown of its clinker plant.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

B1. Review of performance (contd.)

Year-to-date, 2012 vs. Year-to-date, 2011 (contd.)

The Manufacturing Division, being the key driver and largest contributor to the Group's profitability, recorded significantly lower PBT in PE2012. Its performance was impacted by the prolonged shutdown of its clinker plant for upgrading which had resulted in a decline in PBT by 29% to RM52.93 million in PE2012 from RM74.51 million in PE2011, despite higher sales volumes and revenues.

The Construction & Road Maintenance Division registered a 22% jump in PBT to RM45.94 million (including the share of profit in jointly controlled entity) in PE2012 from RM37.53 million in PE2011 (excluding the gain on acquisition of CMS Roads and CMS Pavement Tech of RM11.42 million) mainly due to the increase in contract rate for state road routine maintenance.

The Construction Materials Division's PBT increased by 43% to RM19.86 million in PE2012 from RM13.88 million in PE2011 benefiting from JKR sales through the State Government special funding.

The Services Division which commenced operations in 2nd quarter of 2011 and is involved in lodging and catering services, reported a commendable PBT in 2012 with more blocks of lodges earning revenue.

The Property Development Division recorded a PBT of RM22.10 million in PE2012, compared to a marginal profit in PE2011 due largely to the recognition of profits for the sale of land in PE2012.

Profit in the Others Division was higher in PE2012 than PE2011 due to the receipt of RM8.5 million settlement sum from Jerneh by the IT company following the favourable outcome of arbitration and higher PBT achieved by the trading company from higher sales of high profit margin water related products. However, the education subsidiary under the Others Division reported higher losses in PE2012.

The Group reported lower shares of profit from its associates in PE2012 compared to PE2011 due to lower profit reported by KKB Engineering Berhad and a loss recorded by K&N Kenanga Berhad. The Group's new associate namely OM Materials (Sarawak) Sdn Bhd recorded a marginal loss in PE2012.

B2. Material variations of results for the quarter (Quarter 3, 2012 vs Quarter 2, 2012)

The Group's PBT of RM44.52 million in the third quarter ended 30 September 2012 was 36% lower than the PBT of RM70.11 million reported in the preceding quarter ended 30 June 2012. The 3rd quarter's PBT was lower as the preceding quarter's PBT included profit on sale of land reported by the Property Development Division and the settlement sum received by an IT subsidiary. The Services Division's PBT for the third quarter shrunk as depreciation charges for certain lodges were accelerated.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

B2. Material variations of results for the quarter (Quarter 3, 2012 vs Quarter 2, 2012) (contd.)

The above decrease was partially eased by:

- i) a lower loss reported by CMS Clinker in the current quarter due to production of some clinker; and
- ii) a higher PBT registered by Construction Materials Division as a result of sales to JKR being in full swing upon finalizing the scope of works and site visits during the 2nd quarter and secured private sales only started premix orders in 3rd quarter.

The two listed associates' performances also weakened in the current quarter compared to the preceding quarter.

B3. Prospects for the year ending 31 December 2012

Whilst the operating environment faced by the Group will remain challenging, the Board expects that the Group's financial performance will continue to remain favourable and prospects for year ending 31 December 2012 to be good. The Group's strong financial position will enable the Group to invest in new business opportunities especially in the Samalaju Industrial Park, Bintulu, Sarawak.

B4. Profit forecast or profit guarantee

Not applicable as there was no profit forecast nor profit guarantee issued.

B5. Income tax expense

	3 months ended		9 months ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	14,833	15,943	43,106	35,963
- Over/(under) provision in respect of previous years	143	(11,267)	217	(11,256)
Deferred tax	0	0	0	0
Total income tax expense	<u>14,976</u>	<u>4,676</u>	<u>43,323</u>	<u>24,707</u>

The effective tax rate for the quarter and financial period ended 30 September 2011 was lower than the statutory tax rate principally due to the non-taxable capital gain on acquisition of subsidiaries but partially reduced by the losses of certain subsidiaries which could not be set off against taxable profit.

The effective tax rate for the quarter ended 30 September 2012 was higher than the statutory tax rate primarily due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other certain subsidiaries and certain expenses which are not deductible for tax purposes.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

B6. Corporate proposals

There were no other corporate proposals that have been announced but not completed as at the date of this announcement.

B7. Borrowings

	As at 30.9.2012 RM'000	As at 31.12.2011 RM'000
Secured		
Revolving credits	15,000	15,000
Hire purchase and finance lease liabilities	62	170
Unsecured		
Bankers' acceptances	3,157	25,808
Term loans	64,240	85,680
CMS Income Securities	85,260	85,507
Loan from corporate shareholder	3,308	3,582
Total	171,027	215,747
Maturity		
Repayable within one year	125,450	148,444
One year to five years	45,577	66,476
Over five years	0	827
	171,027	215,747

All borrowings were denominated in Ringgit Malaysia.

B8. Off balance sheet financial instruments

As at the date of this report, there are no financial instruments with off balance sheet risks entered into by the Group.

B9. Derivatives

There were no derivatives entered into by the Group as at the end of the quarter under review.

B10. Gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities.

B11. Changes in material litigation

There were no changes in material litigation since the last annual statement of financial position date of 31 December 2011.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

B12. Dividend payable

The first interim dividend of 5 sen per share less 25% tax for the financial year ending 31 December 2012 amounting to RM12,250,948 was paid on 19 October 2012.

B13. Earnings per share

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

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	3 months ended		9 months ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
		(Restated)		(Restated)
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	22,142	38,140	100,583	96,508
Weighted average number of ordinary shares in issue ('000)	320,448	329,481	324,496	329,469
Basic earnings per share (sen)	6.91	11.58	31.00	29.29
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	322,648	329,732	326,258	329,598
Diluted earnings per share (sen)	6.86	11.57	30.83	29.28

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the period.

B14. Auditor's report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not subject to any qualification.

CAHYA MATA SARAWAK BERHAD

(Company No. 21076-T)

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012**B15. Additional disclosure on profit for the period**

	Quarter ended 30.9.2012 RM'000	Financial period ended 30.9.2012 RM'000
Profit for the period is arrived at after charging/(crediting):		
Amortisation of intangible assets	278	835
Amortisation of prepaid land lease payments	181	544
Bad debt written off	-	-
Property, plant and equipment written off	-	3
Depreciation of property, plant and equipment	14,224	35,226
Depreciation of investment properties	30	88
(Gain)/loss on foreign exchange	(375)	(808)
(Gain)/loss on disposal of property, plant and equipment	(167)	(396)
(Gain)/loss on disposal of investments	(312)	(572)
(Gain)/loss on fair value changes of derivatives	-	-
Impairment loss on trade receivables	30	117
Interest expense	2,770	8,585
Interest income	(3,222)	(7,753)
Inventory written off	14	231
Net fair value changes in investment securities	(492)	(861)
Reversal of allowance for impairment loss on trade receivables	-	(187)
Reversal of allowance for obsolete inventory	-	(217)
Write down of inventory	42	65

B16. Realised and unrealised profits/losses

	As at 30 September 2012 RM'000	As at 31 December 2011 (Restated) RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	621,899	560,778
- Unrealised	(20,358)	(21,079)
	601,541	539,699
Total retained earnings from associates:		
- Realised	12,501	12,990
- Unrealised	4,531	5,924
	17,032	18,914
Total retained earnings from jointly controlled entities:		
- Realised	1,427	1,427
	620,000	560,040
Add: consolidation adjustments	63,923	72,631
Total Group retained earnings as per consolidated accounts	683,923	632,671

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2012

B17. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 November 2012.

BY ORDER OF THE BOARD

Koo Swee Pheng

Secretary

Date: 29 November 2012



CAHYA MATA SARAWAK

Company No: 21076-T

FOR IMMEDIATE RELEASE

CAHYA MATA SARAWAK BERHAD RECORDS STELLAR RESULTS

9-month pre-tax profit up 17% to RM164.53 million

Kuching (Sarawak), Thursday, 29 November 2012. Cahya Mata Sarawak Berhad (CMSB - 2852), the State's leading infrastructure facilitator, continues to deliver strong performance for the first nine months of 2012 on the back of improving operational profitability. CMSB's pre-tax profit (PBT) for the nine months ended 30 September 2012 rose to RM164.53 million. This represents a 17% increase from the corresponding period of last year, or equivalent to an Earnings Per Share (EPS) of RM0.31. Revenue growth remained robust at RM810.83 million for the nine-month period, 12% higher compared to the same period last year.

Despite challenging circumstances, 3Q12 revenue rose 20%, to RM288.28 million from RM240.76 million from the same quarter of last year. The Group's PBT came in at RM44.52 million, a decrease of 16% compared to the same quarter last year. The lower profits were due to the Manufacturing Division's clinker plant shutdown for a capacity upgrade being further extended due in part to a fire in the plant. This, coupled with a surge in demand that had to be met with imported cement, led to lowered profits.

Commenting on the Group's performance, Dato' Richard Curtis, the Group Managing Director of CMSB said, "CMSB's success in recording sustainable growth in a challenging business environment is attributable to its solid business model, management focus and prudence."

"All Divisions continued to post healthy earnings apart from the dip in profitability from the Manufacturing Division due largely to the longer than anticipated shutdown of the clinker plant



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from an original target of 45 days to more than 8 months. The Division nevertheless registered higher sales volume, steady cement selling prices and higher concrete ready-mix sales volumes," added Dato' Curtis.

"CMSB is confident of achieving good results for the financial year on the back of solid and sustainable earnings, low gearing, healthy balance sheet and an experienced and professional management team with the right strategy, passion and integrity".

CMSB is on track to be the best proxy investment for Sarawak's accelerating economic potential, driven by the State's plan to develop long term, hydro energy intensive industries under the Sarawak Corridor for Renewable Energy (SCORE) and by the infrastructure required across the State.

- End -

About Cahya Mata Sarawak Berhad

Cahaya Mata Sarawak Berhad is a leading corporation listed on the Main Market of the Malaysian stock exchange, Bursa Malaysia, and is a major private-sector player in Sarawak, the largest state in Malaysia.

Cahaya Mata Sarawak Berhad has evolved from a single product manufacturer of cement beginning in 1974 to become a corporation focused on its Vision "To become the Pride of Sarawak".

Today, our portfolio spans over 30 companies involved in cement manufacturing, construction materials, trading, construction, road maintenance, property development, financial services, education and other services.

For media enquiries, please contact:

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CAHYA MATA SARAWAK

Company No: 21076-T

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