

CAHYA MATA SARAWAK BERHAD

(Company No: 21076-T)

(Incorporated in Malaysia)

Interim Financial Report

Condensed consolidated statements of comprehensive income for the period ended 31 December 2011

	Note	3 months ended		12 months ended	
		31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Continuing Operations					
Revenue	A7	287,177	284,045	1,012,266	943,476
Cost of sales		(207,323)	(192,889)	(752,557)	(732,757)
Gross profit		79,854	91,156	259,709	210,719
Other income		2,805	3,112	21,622	15,754
Administrative expenses		(16,814)	(19,973)	(55,267)	(56,723)
Selling and marketing expenses		(1,887)	(1,736)	(7,441)	(7,306)
Other expenses		(23,703)	(14,930)	(33,657)	(17,301)
Operating profit		40,255	57,629	184,966	145,143
Finance costs		(4,572)	(7,935)	(19,948)	(30,802)
Share of profit of associated companies		1,909	573	12,759	6,233
Share of profit of jointly controlled entities		1,248	(82)	1,248	(1,778)
Profit before taxation		38,840	50,185	179,025	118,796
Income tax expense	B5	(9,374)	(17,897)	(34,081)	(29,096)
Profit for the period		29,466	32,288	144,944	89,700
Other comprehensive income, net of tax					
Exchange fluctuation from translation of subsidiary's net asset		(6)	117	77	56
Share of associate's total comprehensive income		(549)	168	355	(1,285)
Other comprehensive income for the period, net of tax		(555)	285	432	(1,229)
Total comprehensive income for the period		28,911	32,573	145,376	88,471
Profit attributable to:					
Owners of the parent		23,499	19,604	120,095	65,781
Non-controlling interests		5,967	12,684	24,849	23,919
Profit for the period		29,466	32,288	144,944	89,700
Total comprehensive income attributable to:					
Owners of the parent		22,972	19,844	120,485	64,596
Non-controlling interests		5,939	12,729	24,891	23,875
Total comprehensive income for the period		28,911	32,573	145,376	88,471
		sen	sen	sen	sen
Earnings per share attributable to owners of the parent:					
Basic, for profit from continuing operations	B13	7.13	5.95	36.45	19.97
Diluted *		7.13	N/A	36.45	N/A

* The diluted earnings per share are the same as basic earnings per share as the effect of dilutive potential ordinary shares are anti-dilutive.

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

Cahya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of financial position as at 31 December 2011

	Note	Unaudited As at 31.12.2011 RM'000	Audited As at 31.12.2010 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A8	458,695	325,545
Prepaid land lease payments		18,507	19,235
Land held for property development		63,309	62,924
Investment properties		6,095	6,095
Intangible assets		2,288	3,352
Goodwill on consolidation		61,709	61,709
Investments in associated companies		291,794	278,152
Investments in jointly controlled entities		3,628	2,635
Investment securities		300	300
Deferred tax assets		10,813	16,700
		<u>917,138</u>	<u>776,647</u>
Current assets			
Property development costs		134,830	130,152
Inventories		90,388	86,727
Investment securities	A9	516,101	87,904
Trade and other receivables		182,483	206,960
Other current assets		23,199	39,850
Tax recoverable		12,399	13,098
Cash and bank balances		222,861	773,484
		<u>1,182,261</u>	<u>1,338,175</u>
TOTAL ASSETS		<u>2,099,399</u>	<u>2,114,822</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		329,481	329,446
Share premium		427,590	427,516
Other reserves		31,906	25,157
Retained earnings		625,932	530,548
		<u>1,414,909</u>	<u>1,312,667</u>
Non-controlling interests		<u>186,221</u>	<u>155,613</u>
Total equity		<u>1,601,130</u>	<u>1,468,280</u>
Non-current liabilities			
Loans and borrowings	B7	67,306	174,686
Deferred tax liabilities		31,716	21,937
		<u>99,022</u>	<u>196,623</u>
Current liabilities			
Trade and other payables		203,677	210,707
Other current liabilities		41,140	12,595
Loans and borrowings	B7	148,447	219,900
Income tax payable		5,983	6,717
		<u>399,247</u>	<u>449,919</u>
Total liabilities		<u>498,269</u>	<u>646,542</u>
TOTAL EQUITY AND LIABILITIES		<u>2,099,399</u>	<u>2,114,822</u>
Net assets per share attributable to ordinary owners of the parent (RM)		<u>4.29</u>	<u>3.98</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of changes in equity for the year ended 31 December 2011

	< ----- Attributable to Owners of the Parent ----- >						Non-Controlling interests	Total Equity
	Share capital RM'000	Non-distributable				Distributable		
		Share premium RM'000	Capital reserve RM'000	Merger deficit RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	
At 1 January 2011	329,446	427,516	46,491	(12,000)	(9,334)	530,548	1,312,667	155,613
Total comprehensive income for the period	0	0	0	0	390	120,095	120,485	24,891
	329,446	427,516	46,491	(12,000)	(8,944)	650,643	1,433,152	180,504
Transaction with owners:-								
Grant of equity-settled share options to employees	0	0	0	0	6,391	0	6,391	0
Exercise of employee share options	35	74	0	0	(32)	0	77	0
Issues of shares in subsidiaries	0	0	0	0	0	0	0	25,051
Dividends on ordinary shares	0	0	0	0	0	(24,711)	(24,711)	0
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	(19,334)
At 30 December 2011	329,481	427,590	46,491	(12,000)	(2,585)	625,932	1,414,909	186,221
								1,601,130

Cahaya Mata Sarawak Berhad

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Condensed consolidated statement of changes in equity for the year ended 31 December 2011 (contd.)

	< ----- Attributable to Owners of the Parent ----- >						Non-Controlling interests	Total Equity
	Share capital RM'000	Non-distributable				Distributable		
		Share premium RM'000	Capital reserve RM'000	Merger deficit RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	
At 1 January 2010	329,446	427,516	46,491	(12,763)	10,533	476,747	182,478	1,460,448
Effects of adopting FRS 139	0	0	0	0	0	374	(1,247)	(873)
As restated	329,446	427,516	46,491	(12,763)	10,533	477,121	181,231	1,459,575
Total comprehensive income for the period	0	0	0	0	(1,185)	65,781	23,875	88,471
	329,446	427,516	46,491	(12,763)	9,348	542,902	205,106	1,548,046
Transaction with owners:-								
Grant of equity-settled share options to employees								
Premium paid on acquisition of non-controlling interests	0	0	0	0	4,243	0	4,243	4,243
	0	0	0	0	(22,925)	0	(22,925)	(22,925)
Acquisition of non-controlling interests	0	0	0	0	0	0	(27,075)	(27,075)
Disposal of a subsidiary	0	0	0	763	0	0	(3,806)	(3,043)
Issues of shares in a subsidiary	0	0	0	0	0	0	281	281
Dividends on ordinary shares	0	0	0	0	0	(12,354)	0	(12,354)
Dividends paid to minority interests	0	0	0	0	0	0	(18,893)	(18,893)
At 31 December 2010	329,446	427,516	46,491	(12,000)	(9,334)	530,548	155,613	1,468,280

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of cash flows for the year ended 31 December 2011

	12 months ended 31.12.2011 RM'000	12 months ended 31.12.2010 RM'000
Profit before taxation	179,025	118,796
Adjustments for non-cash items:		
Non-cash items	40,151	52,611
Operating cash flows before changes in working capital	219,176	171,407
Changes in working capital		
Decrease in current assets	62,755	8,304
Decrease in current liabilities	(8,601)	(40,996)
Cash flows from operations	273,330	138,715
Interest received	11,870	18,846
Interest paid	(20,203)	(31,909)
Income tax paid, net of refund	(23,798)	(34,017)
Net cash flows from operating activities	241,199	91,635
Investing activities		
Purchases of investment securities	(587,042)	(58,578)
Dividends from investments	11,637	333
Acquisition of property, plant and equipment	(153,000)	(21,825)
Proceeds from disposal of investment	160,771	76,650
Proceeds from issuance of shares to non-controlling interests	25,051	281
Net cash outflow arising from acquisition of subsidiaries	(25,441)	0
Net cash inflow from disposal of an associate	0	464,265
Additional investment in associates	(7,865)	0
Dividend received from associated company	6,782	9,171
Acquisition of additional interest in existing subsidiaries	0	(50,000)
Others	(193)	(7,120)
Net cash (used in) / from investing activities	(569,300)	413,177
Financing activities		
Net repayments of borrowings	(93,501)	(58,022)
Dividends paid to shareholders of the Company	(24,711)	(12,354)
Dividends paid to minority interests in subsidiary companies	(19,334)	(18,893)
Repayment of CMS Income Securities	(85,000)	(80,000)
Proceeds from exercise of employee share options	77	0
Net cash used in financing activities	(222,469)	(169,269)
Net (decrease)/increase in cash and cash equivalents	(550,570)	335,543
Cash and cash equivalents as at 1 January	773,431	437,888
Cash and cash equivalents as at 31 December	222,861	773,431
Cash and cash equivalents as at 31 December comprise the following:		
Cash and short term funds	222,861	773,484
Bank overdrafts	0	(53)
	222,861	773,431

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

Part A – Explanatory notes pursuant to FRS 134

A1. Basis of preparation and accounting policies

Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial report 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 financial year ended 31 December 2010.

Summary of significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010 except as follows:

On 1 January 2011, the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

- Amendments to FRS 132: Classification of Rights Issues
- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 127: Consolidated and Separate Financial Statements
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners
- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1: Additional Exemptions for First-time Adopters
- Amendments to FRS 2: Group Cash-settled Share-Based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- Amendments to FRS 'Improvements to FRS (2010)'
- IC Interpretation 4: Determining Whether An Arrangement Contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- TR i-4: Shariah Compliant Sale Contracts

Adoption of the above FRS and IC Interpretations did not have any effect on the financial performance or position of the Group.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

A2. Seasonal or cyclical factors

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

A3. 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 year ended 31 December 2011 except for the gain on acquisition of CMS Roads Sdn Bhd and CMS Pavement Tech Sdn Bhd of RM11.42 million included in other income and RM25.19 million of expenses relating to project under study written off in other expense.

A4. Changes in estimates

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

A5. Debt and equity securities

Except for the following, there were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities for the financial year under review :-

- (a) issuance of 35,000 ordinary shares of RM1 each for cash pursuant to the Company's employees' share option scheme at the exercise price of RM2.20 per share; and
- (b) payment for the RM85 million bond principal and redemption of eighty-five (85) Non-convertible Redeemable Preference Shares on 29 December 2011.

A6. Dividends paid

The first and final dividend of 5 sen per share less 25% tax and a special dividend of 5 sen per share less 25% tax for the financial year ended 31 December 2010 amounting to RM 24,711,063 was paid on 22 July 2011.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

A7. Segmental information

	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Manufacturing	127,420	114,435	463,433	414,471
Construction & road maintenance ^	60,559	42,780	195,638	78,564
Construction materials	55,692	67,658	193,418	193,125
Trading	25,682	14,579	75,964	96,384
Property development	20,684	47,132	103,113	165,660
Others*	21,794	56,097	58,048	75,445
Total revenue including inter-segment sales	311,831	342,681	1,089,614	1,023,649
Elimination of inter-segment sales	(24,654)	(58,636)	(77,348)	(80,173)
	<u>287,177</u>	<u>284,045</u>	<u>1,012,266</u>	<u>943,476</u>
Segment Results				
Results from operations:				
Manufacturing	28,181	27,600	107,005	85,400
Construction & road maintenance ^	20,670	35,911	70,011	45,423
Construction materials	5,948	10,853	20,448	31,772
Trading	2,329	470	4,893	5,222
Property development	1,846	1,808	2,769	4,279
Others *#	(18,734)	(29,982)	(13,628)	(35,436)
Segment operating profit	40,240	46,660	191,498	136,660
Unallocated corporate expenses	15	10,969	(6,532)	8,483
Finance costs	(4,572)	(7,935)	(19,948)	(30,802)
Share of profit of associates	1,909	573	12,759	6,233
Share of profit of jointly controlled entities	1,248	(82)	1,248	(1,778)
Profit before tax	38,840	50,185	179,025	118,796
Income tax expenses	(9,374)	(17,897)	(34,081)	(29,096)
Net profit for the period	<u>29,466</u>	<u>32,288</u>	<u>144,944</u>	<u>89,700</u>

* Financial services, lodging and catering services, education and others.

^ Included in the 2011 results was a gain on acquisition of RM11.42 million as mentioned in A3.

Include in the 2011 results was a write-off of expenses relating to project under study of RM25.19 million as mentioned in A3.

A8. Carrying amount of revalued assets

The valuations of land and buildings have been brought forward, without amendment from the financial statements for the year ended 31 December 2010.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

A9. Investment securities

Included therein is an amount of RM427.39 million (31 December 2010: Nil) being investment in a wholesale fund investing only in short-term money market instruments and fixed deposits with financial institutions.

A10. Changes in the composition of the Group

There have been no changes in the composition of the Group for the quarter ended 31 December 2011.

A11. 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:-

An amount of RM5,466,968 included in trade receivables is in dispute and in the process of arbitration. Within the same claim on the receivable, a counterclaim of RM2,240,930 was filed by the debtor. A further claim of RM2,265,422 was made by the subsidiary against the debtor for loss of profits and other general damages. Both counterclaims by the debtor and the further claim made by the subsidiary have not been accounted for in the financial statements.

On 6 January 2012, the Arbitrator awarded in favour of a subsidiary various amount due for work done for debtor as invoiced (RM5,466,968), damages for wrongful termination of the software development agreement (RM1,106,784), damages for loss of maintenance (RM701,347), and interest at 2.9% on each amount on invoices computed from date of invoice, reasonable costs including fees for preparing and presenting the arbitration. The debtor's counterclaim was dismissed.

The debtor has 90 days from receipt of award dated 6 January 2012 to file a court action to set aside the Arbitrator's award. A demand has been made of the debtor for payment of the awarded amounts and they have failed to do so. An application has been filed by the subsidiary in the High Court on 16 February 2012 to register the arbitration award and the case management of the application is scheduled for 9 March 2012.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

A12. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 December 2011 was as follows:

	RM'000
Capital expenditure for property, plant and equipment:	
- Approved and contracted for	34,109
- Approved but not contracted for	150,416
Other capital commitments:	
- Approved and contracted for	16,667
- Approved and not contracted for	16,666
	<u>217,858</u>

A13. Subsequent events

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

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

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

B1. Review of performance

Quarter 4, 2011 vs Quarter 4, 2010

The Group's revenue for the current quarter of RM287.18 million was marginally higher by 1% over the corresponding quarter. The increase was mainly contributed by the Manufacturing, Construction & Road Maintenance, Trading Divisions and lodging and catering services in the Others Division but offset by lower revenue from Construction Materials and Property Development Divisions.

However, the Group's pre-tax profit for the current quarter of RM38.84 million was 23% or RM11.35 million lower than the corresponding quarter. The lower pre-tax profit in the current quarter was mainly due to a write off of expenses relating to project under study totaling RM21.89 million under the Others Division. The Construction & Road Maintenance Division's profit was not in tandem with the revenue as corresponding quarter's profit included a reversal of impairment of losses in project and downward costs revision following the completion of projects.

Year-to-date, 2011 vs Year-to-date, 2010

The Group's revenue for the year ended 31 December 2011 increased by 7% to 1.012 billion from RM943.48 million for the year ended 31 December 2010. The increase was mainly contributed by the Construction & Road Maintenance Division from its acquisition of CMS Roads Sdn Bhd and CMS Pavement Tech Sdn Bhd on 1 March 2011.

The Group recorded a pre-tax profit of RM179.03 million for the year ended 31 December 2011, compared to a pre-tax profit of RM118.80 million for the year ended 31 December 2010. Apart from the net gain on acquisition of the two subsidiaries of RM11.42 million, the higher pre-tax profit was contributed by all profitable divisions except for the subsidiary engaged in education included in the Others Division.

The Group's earnings continued to be mainly driven by the Manufacturing Division followed by the Construction & Road Maintenance and the Construction Materials Divisions. The Manufacturing Division, being the key driver and the largest contributor to the Group's profitability, continued to achieve higher profit due to higher sales volume and an upward revision of price.

The Construction & Road Maintenance Division registered a jump in the profit primarily because of the re-acquisition of the two profit-making entities which contributed significantly in the current financial year.

The Construction Materials Division's profit fell primarily due to the slower government fund allocation resulting in delay in projects and higher prices of bitumen and diesel.

The Property Development Division continued to maintain a small profit from an on-going development project and sales of shophouses.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

B1. Review of performance (contd.)

Year-to-date, 2011 vs Year-to-date, 2010 (contd.)

Losses in the Others Division for the current financial year declined due to the discontinued operations of the loss making IT companies at the end of 2010 notwithstanding the profit registered by a new subsidiary namely Samalaju Property Development Sdn. Bhd. (“SPD”) which is in the business of providing lodging and catering services at Samalaju in Bintulu. The profit reported by SPD was offset by the write off of expenses relating to project under study totaling RM25.19 million by another company in the current financial year.

The Group’s associate in the steel fabrication and manufacturing of steel pipes industry, namely KKB Engineering Bhd continued its sterling performance for the year ended 31 December 2011. The Group’s associate in the investment banking industry reported a profit for the year ended 31 December 2011 compared to a loss in the previous year.

B2. Material changes in profit before tax for the quarter (Quarter 4, 2011 vs Quarter 3, 2011)

The Group’s pre-tax profit of RM38.84 million in the fourth quarter ended 31 December 2011 was lower than the profit of RM52.74 million reported in the preceding quarter ended 30 September 2011. The lower pre-tax profit in the current quarter under review was mainly due to the write off of expenses relating to project under study totaling RM21.89 million.

Other than the loss reported by the subsidiary engaged in education, all other divisions reported higher profits in the current quarter under review except for Manufacturing Division. The lower profit in the Manufacturing Division was due to its plant shut down for maintenance.

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.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

B5. Income tax expense

	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	(3,511)	14,566	32,452	34,967
- Over provision in respect of previous years	(915)	(83)	(12,171)	(8,860)
Deferred tax	13,800	3,414	13,800	2,989
Total income tax expense	<u>9,374</u>	<u>17,897</u>	<u>34,081</u>	<u>29,096</u>

The effective tax rate for the current financial year was lower than the statutory tax rate principally due to the reversal of tax provision in respect of prior years and utilisation of current year reinvestment allowances.

B6. Corporate proposals

Heads of Agreement with Rio Tinto Aluminium (Malaysia) Sdn. Bhd., a wholly-owned subsidiary of Rio Tinto Aluminium Limited

On 7 August 2007, the Company announced that Samalaju Aluminium Industries Sdn. Bhd. (formerly known as Similajau Aluminium Industries Sdn. Bhd.) ("SAI"), a wholly-owned subsidiary of Samalaju Industries Sdn. Bhd. (formerly known as Similajau Industries Sdn. Bhd.), which in turn is a wholly-owned subsidiary of the Company, entered into a Heads of Agreement ("HOA") with Rio Tinto Aluminium (Malaysia) Sdn. Bhd. ("RTA"), a wholly-owned subsidiary of Rio Tinto Aluminium Limited, a company registered in Australia. The HOA records the agreement of the parties on the key terms of their participation and the basis upon which they will work together on the proposed Project.

The parties intend to participate together in the proposed design, engineering, construction, commissioning and operation in Sarawak of a world-class aluminium smelter, including any expansions thereof and such other things as may be agreed as necessary or expedient for this purpose ("Project"). SAI will have a participating interest in the Project of 40% whilst the balance participating interest of 60% will be held by RTA.

On 30 July 2010, the Company announced that both parties have mutually agreed to extend the HOA from 1 August 2010 to be terminable by either party giving the other a one month notice of termination as the pre-feasibility study is still being finalised due to on-going negotiations on the power purchase agreement with Sarawak Energy Berhad.

Other than the above, there were no other corporate proposals that have been announced but not completed as at the date of this announcement.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

B7. Borrowings

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Secured		
Bank overdrafts	0	53
Revolving credits	15,000	13,136
Hire purchase and finance lease liabilities	175	399
Unsecured		
Bankers' acceptances	25,808	38,958
Revolving credits	0	60,000
Term loans	85,680	107,120
CMS Income Securities	85,507	170,786
Loan from corporate shareholder	3,583	4,134
Total	<u>215,753</u>	<u>394,586</u>
Maturity		
Repayable within one year	148,447	219,900
One year to five years	67,030	173,308
Over five years	276	1,378
	<u>215,753</u>	<u>394,586</u>

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 2010.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

B12. Dividend payable

The Board of Directors has proposed to declare a first and final dividend at the coming Annual General Meeting of 15 sen per share less 25% tax (2010: 5 sen per share less 25% tax and a special dividend of 5 sen per share less 25% tax). The dividend entitlement and payment date for the first and final dividend will be announced at a later date.

	2011	2010
Amount per share (sen)		
- proposed first and final dividend less taxation at 25% (2010: 25%)	15	5
- proposed special dividend less taxation at 25% (2010: 25%)	-	5
Total dividend for the financial year	15	10

B13. Earnings per share

(a) The calculation of the basic earnings per share is computed as follows:

	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Profit attributable to owners of the parent				
to ordinary owners of the parent (RM'000)	23,499	19,604	120,095	65,781
Weighted average number of ordinary shares				
in issue ('000)	329,469	329,446	329,469	329,446
Basic earnings per share (sen)	7.13	5.95	36.45	19.97

(b) Diluted earnings per share

For the current quarter and financial year ended 31 December 2011, the diluted earnings per share is the same as basic earnings per share as the effect of dilutive potential ordinary share are anti-dilutive. For the prior year's corresponding quarter and financial year ended 31 December 2010, the diluted earnings per share were not applicable as there were no dilutive potential ordinary shares.

B14. Auditor's report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not subject to any qualification.

B15. 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 28 February 2011.

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

B16. Additional disclosure on profit for the period

	3 months ended 31.12.2011 RM'000	12 months ended 31.12.2011 RM'000
Profit for the period is arrived at after charging/(crediting):		
Amortisation of intangible assets	278	1,111
Amortisation of prepaid land lease payments	547	848
Bad debt written off	111	117
Depreciation of property, plant and equipment	8,376	32,323
Gain on foreign exchange	(284)	(704)
Gain on disposal of property, plant and equipment	(7)	(7)
Gain on disposal of investments	(5)	(230)
Impairment loss on trade receivables	1,586	5,087
Interest expense	4,497	19,659
Interest income	(2,353)	(11,870)
Inventory written off	150	283
Project under study written off	21,892	25,193

Other than the above items which have been included in the statement of comprehensive income, there were no gain or loss on derivatives for the current quarter and financial year ended 31 December 2011.

B17. Realised and unrealised profits/losses

	As at 31 December 2011 RM'000	As at 31 December 2010 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	503,405	659,507
- Unrealised	(20,169)	(6,055)
	483,236	653,452
Total retained profits from associated companies:		
- Realised	10,854	7,389
- Unrealised	7,903	6,511
	18,757	13,900
Total retained profits from jointly controlled entities:		
- Realised	1,428	180
	503,421	667,532
Less consolidated adjustments	122,511	(136,984)
Total group retained profits as per consolidated accounts	625,932	530,548

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

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2011

BY ORDER OF THE BOARD

Koo Swee Pheng

Secretary

Date: 28 February 2012