

# CAHYA MATA SARAWAK BERHAD

(Company No: 21076-T)

(Incorporated in Malaysia)

## Interim Financial Report

Condensed consolidated statements of comprehensive income for the year ended 31 December 2012

|  | Note | 3 months ended |                          | 12 months ended |                          |
|--|------|----------------|--------------------------|-----------------|--------------------------|
|  |      | 31.12.2012     | 31.12.2011<br>(Restated) | 31.12.2012      | 31.12.2011<br>(Restated) |
|  |      | RM'000         | RM'000                   | RM'000          | RM'000                   |
| Revenue  | A8   | 392,439        | 287,520                  | 1,203,266       | 1,012,609                |
| Cost of sales  |      | (300,209)      | (208,038)                | (906,189)       | (753,360)                |
| <b>Gross profit</b>  |      | 92,230         | 79,482                   | 297,077         | 259,249                  |
| Other income   |      | 2,936          | 3,579                    | 16,894          | 22,396                   |
| Administrative expenses  |      | (15,627)       | (18,441)                 | (52,144)        | (56,894)                 |
| Selling and marketing expenses                                   |      | (2,245)        | (1,878)                  | (8,985)         | (7,432)                  |
| Other expenses   |      | (10,026)       | (22,319)                 | (15,567)        | (32,273)                 |
| <b>Operating profit</b>  |      | 67,268         | 40,423                   | 237,275         | 185,046                  |
| Finance costs  |      | (2,801)        | (4,570)                  | (11,473)        | (19,946)                 |
| Share of results of associates                                   |      | 1,767          | 1,357                    | 4,030           | 12,375                   |
| Share of results of jointly controlled entities                  |      | 21             | 1,247                    | 956             | 1,247                    |
| <b>Profit before taxation</b>                                    |      | 66,255         | 38,457                   | 230,788         | 178,722                  |
| Income tax expense   | B5   | (16,938)       | (9,526)                  | (60,261)        | (34,233)                 |
| <b>Profit for the period</b>                                     |      | 49,317         | 28,931                   | 170,527         | 144,489                  |
| <b>Other comprehensive income</b>                                |      |                |                          |                 |                          |
| Exchange fluctuation from translation of subsidiary's net asset  |      | 34             | 73                       | (7)             | 156                      |
| Share of associate's total comprehensive income                  |      | 191            | (548)                    | (1,938)         | 356                      |
| <b>Other comprehensive income for the period, net of tax</b>     |      | 225            | (475)                    | (1,945)         | 512                      |
| <b>Total comprehensive income for the period, net of tax</b>     |      | 49,542         | 28,456                   | 168,582         | 145,001                  |
| Profit attributable to:  |      |                |                          |                 |                          |
| Owners of the Company  |      | 38,224         | 23,354                   | 138,807         | 120,022                  |
| Non-controlling interests  |      | 11,093         | 5,577                    | 31,720          | 24,467                   |
|  |      | 49,317         | 28,931                   | 170,527         | 144,489                  |
| Total comprehensive income attributable to:                      |      |                |                          |                 |                          |
| Owners of the Company  |      | 38,431         | 22,869                   | 136,959         | 120,454                  |
| Non-controlling interests  |      | 11,111         | 5,587                    | 31,623          | 24,547                   |
|  |      | 49,542         | 28,456                   | 168,582         | 145,001                  |
|  |      | sen            | sen                      | sen             | sen                      |
| <b>Earnings per share attributable to owners of the Company:</b> |      |                |                          |                 |                          |
| Basic  | B13  | 11.73          | 7.09                     | 42.33           | 36.43                    |
| Diluted  |      | 11.67          | N/A                      | 42.11           | N/A                      |

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 31 December 2012**

|   | Note | As at<br>31.12.2012<br>RM'000 | As at<br>31.12.2011<br>(Restated)<br>RM'000 | As at<br>1.1.2011<br>(Restated)<br>RM'000 |
|---|------|-------------------------------|---|---|
| <b>ASSETS</b>   |      |                               |   |   |
| <b>Non-current assets</b>   |      |                               |   |   |
| Property, plant and equipment   |      | 488,578                       | 458,692                                     | 325,545                                   |
| Prepaid land lease payments   |      | 17,782                        | 18,507                                      | 19,235                                    |
| Land held for property development  |      | 63,511                        | 63,309                                      | 62,924                                    |
| Investment properties   |      | 5,860                         | 5,978                                       | 6,095                                     |
| Intangible assets   |      | 1,175                         | 2,288                                       | 3,352                                     |
| Goodwill  |      | 61,709                        | 61,709                                      | 61,709                                    |
| Investments in associates   |      | 348,733                       | 293,235                                     | 279,422                                   |
| Investments in jointly controlled entities                                      |      | 3,948                         | 3,627                                       | 2,635                                     |
| Deferred tax assets   |      | 18,124                        | 10,810                                      | 16,700                                    |
| Investment securities   |      | 428                           | 300   | 300                                       |
|   |      | <u>1,009,848</u>              | <u>918,455</u>                              | <u>777,917</u>                            |
| <b>Current assets</b>   |      |                               |   |   |
| Property development costs  |      | 131,134                       | 134,830                                     | 130,152                                   |
| Inventories   |      | 106,735                       | 90,333                                      | 86,727                                    |
| Trade and other receivables   |      | 255,293                       | 192,642                                     | 206,960                                   |
| Other current assets  |      | 10,690                        | 12,787                                      | 39,850                                    |
| Investment securities   |      | 106,948                       | 88,709                                      | 87,904                                    |
| Tax recoverable   |      | 6,361                         | 12,545                                      | 13,098                                    |
| Cash and bank balances  |      | 524,300                       | 650,272                                     | 773,484                                   |
|   |      | <u>1,141,461</u>              | <u>1,182,118</u>                            | <u>1,338,175</u>                          |
| <b>TOTAL ASSETS</b>   |      | <b><u>2,151,309</u></b>       | <b><u>2,100,573</u></b>                     | <b><u>2,116,092</u></b>                   |
| <b>EQUITY AND LIABILITIES</b>   |      |                               |   |   |
| <b>Equity attributable to owners of the Company</b>                             |      |                               |   |   |
| Share capital   |      | 332,436                       | 329,481                                     | 329,446                                   |
| Treasury shares   |      | (23,319)                      | 0   | 0   |
| Share premium   |      | 433,821                       | 427,590                                     | 427,517                                   |
| Other reserves  |      | 25,862                        | 26,285                                      | 14,787                                    |
| Retained earnings   |      | 722,145                       | 632,668                                     | 542,126                                   |
|   |      | <u>1,490,945</u>              | <u>1,416,024</u>                            | <u>1,313,876</u>                          |
| <b>Non-controlling interests</b>  |      | <u>207,187</u>                | <u>186,000</u>                              | <u>155,674</u>                            |
| <b>Total equity</b>   |      | <u>1,698,132</u>              | <u>1,602,024</u>                            | <u>1,469,550</u>                          |
| <b>Non-current liabilities</b>  |      |                               |   |   |
| Loans and borrowings  | B7   | 49,096                        | 67,304                                      | 174,686                                   |
| Deferred tax liabilities  |      | 32,496                        | 31,819                                      | 21,937                                    |
| Trade payables  |      | 0                             | 9,400                                       | 0   |
|   |      | <u>81,592</u>                 | <u>108,523</u>                              | <u>196,623</u>                            |
| <b>Current liabilities</b>  |      |                               |   |   |
| Trade and other payables  |      | 305,634                       | 226,043                                     | 210,707                                   |
| Other current liabilities   |      | 4,699                         | 9,562                                       | 12,595                                    |
| Loans and borrowings  | B7   | 40,730                        | 148,444                                     | 219,900                                   |
| Income tax payable  |      | 20,522                        | 5,977                                       | 6,717                                     |
|   |      | <u>371,585</u>                | <u>390,026</u>                              | <u>449,919</u>                            |
| <b>Total liabilities</b>  |      | <u>453,177</u>                | <u>498,549</u>                              | <u>646,542</u>                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b><u>2,151,309</u></b>       | <b><u>2,100,573</u></b>                     | <b><u>2,116,092</u></b>                   |
| <b>Net assets per share attributable to ordinary owners of the Company (RM)</b> |      | <b><u>4.59</u></b>            | <b><u>4.30</u></b>                          | <b><u>3.99</u></b>                        |

The condensed consolidated statement of financial position 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 changes in equity for the year ended 31 December 2012**

|  | Equity, total<br><br>RM'000 | < ----- Attributable to Owners of the Company ----- >      |                                   |                               |                             |                              |                                 | Non-controlling interests<br><br>RM'000 |
|--|-----------------------------|--|-----------------------------------|-------------------------------|-----------------------------|------------------------------|---------------------------------|---|
|  |                             | Equity attributable to owners of the Company<br><br>RM'000 | < ----- Non-distributable ----- > |                               |                             |                              | Distributable                   |   |
|  |                             |  | Share capital<br><br>RM'000       | Treasury shares<br><br>RM'000 | Share premium<br><br>RM'000 | Other reserves<br><br>RM'000 | Retained earnings<br><br>RM'000 |   |
| <b>At 1 January 2012</b>                           | 1,600,746                   | 1,414,813  | 329,481                           | 0                             | 427,590                     | 36,655                       | 621,087                         | 185,933                                 |
| Effect of transition to MFRS                       | 1,278                       | 1,211  | 0                                 | 0                             | 0                           | (10,371)                     | 11,582                          | 67                                      |
|  | 1,602,024                   | 1,416,024  | 329,481                           | 0                             | 427,590                     | 26,284                       | 632,669                         | 186,000                                 |
| Total comprehensive income for the period          | 168,582                     | 136,959  | 0                                 | 0                             | 0                           | (1,848)                      | 138,807                         | 31,623                                  |
| Transaction with owners:-                          |                             |  |                                   |                               |                             |                              |                                 |   |
| Grant of equity-settled share options to employees | 4,111                       | 4,111  | 0                                 | 0                             | 0                           | 4,111                        | 0                               | 0                                       |
| Exercise of employee share options                 | 6,501                       | 6,501  | 2,955                             | 0                             | 6,231                       | (2,685)                      | 0                               | 0                                       |
| Purchase of treasury shares                        | (23,319)                    | (23,319)   | 0                                 | (23,319)                      | 0                           | 0                            | 0                               | 0                                       |
| Dividends on ordinary shares                       | (49,331)                    | (49,331)   | 0                                 | 0                             | 0                           | 0                            | (49,331)                        | 0                                       |
| Dividends paid to non-controlling interests        | (10,436)                    | 0  | 0                                 | 0                             | 0                           | 0                            | 0                               | (10,436)                                |
| Total transactions with owners                     | (72,474)                    | (62,038)   | 2,955                             | (23,319)                      | 6,231                       | 1,426                        | (49,331)                        | (10,436)                                |
| <b>At 31 December 2012</b>                         | 1,698,132                   | 1,490,945  | 332,436                           | (23,319)                      | 433,821                     | 25,862                       | 722,145                         | 207,187                                 |

**Cahya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of changes in equity for the year ended 31 December 2012**

|  | Equity, total | < ----- Attributable to Owners of the Company ----- > |                                   |                         |                          |                             |          |
|--|---------------|---|-----------------------------------|-------------------------|--------------------------|-----------------------------|----------|
|  |               | Equity attributable to owners of the Company          | < ----- Non-distributable ----- > |                         | Distributable            | Non-controlling interests   |          |
|  | RM'000        | RM'000  | Share capital<br>RM'000           | Share premium<br>RM'000 | Other reserves<br>RM'000 | Retained earnings<br>RM'000 | RM'000   |
| At 1 January 2011  | 1,468,280     | 1,312,667   | 329,446                           | 427,516                 | 25,158                   | 530,547                     | 155,613  |
| Effect of transition to MFRS                                   | 1,208         | 1,208   | 0                                 | 0                       | (10,371)                 | 11,579                      | 0        |
|  | 1,469,488     | 1,313,875   | 329,446                           | 427,516                 | 14,787                   | 542,126                     | 155,613  |
| Total comprehensive income for the period as previously stated | 144,994       | 120,453   | 0                                 | 0                       | 432                      | 120,021                     | 24,541   |
| Effect of transition to MFRS                                   | 68            | 1   | 0                                 | 0                       | 0                        | 1                           | 67       |
| Total comprehensive income for the period as restated          | 145,062       | 120,454   | 0                                 | 0                       | 432                      | 120,022                     | 24,608   |
| Transaction with owners:-                                      |               |   |                                   |                         |                          |                             |          |
| Grant of equity-settled share options to employees             | 6,390         | 6,390   | 0                                 | 0                       | 6,390                    | 0                           | 0        |
| Share of associate's reserve                                   | 0             | 0   | 0                                 | 0                       | 4,769                    | (4,769)                     | 0        |
| Issues of shares in subsidiaries                               | 25,052        | 0   | 0                                 | 0                       | 0                        | 0                           | 25,052   |
| Premium paid on acquisition of non-controlling interests       | 0             | (61)  | 0                                 | 0                       | (61)                     | 0                           | 61       |
| 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) |
| Total transactions with owners                                 | (12,526)      | (18,305)  | 35                                | 74                      | 11,066                   | (29,480)                    | 5,779    |
| At 31 December 2011  | 1,602,024     | 1,416,024   | 329,481                           | 427,590                 | 26,285                   | 632,668                     | 186,000  |

**Cahya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of cash flows for the year ended 31 December 2012**

|   | 12 months ended<br>31.12.2012<br>RM'000 | 12 months ended<br>31.12.2011<br>RM'000 |
|---|---|---|
| <b>Profit before taxation</b>                                       | 230,788                                 | 178,722                                 |
| Adjustments for non-cash items:                                     |   |   |
| Non-cash items  | 49,426                                  | 39,810                                  |
| <b>Operating cash flows before changes in working capital</b>       | 280,214                                 | 218,532                                 |
| Changes in working capital  |   |   |
| (Increase)/decrease in current assets                               | (77,525)                                | 62,043                                  |
| Decrease/(increase) in current liabilities                          | 65,327                                  | (9,601)                                 |
| <b>Cash flows from operations</b>                                   | 268,016                                 | 270,974                                 |
| Interest received   | 10,355                                  | 12,464                                  |
| Interest paid   | (12,371)                                | (19,878)                                |
| Income tax paid, net of refund                                      | (45,509)                                | (23,981)                                |
| <b>Net cash flows from operating activities</b>                     | 220,491                                 | 239,579                                 |
| <b>Investing activities</b>   |   |   |
| Purchases of investment securities                                  | (49,583)                                | (159,650)                               |
| Dividends from investments  | 12,071                                  | 11,797                                  |
| Dividends from associates   | 3,411                                   | 6,783                                   |
| Acquisition of property, plant and equipment                        | (82,126)                                | (153,092)                               |
| Proceeds from disposal of investments                               | 32,934                                  | 160,771                                 |
| Proceeds from issuance of shares to non-controlling interests       | 0                                       | 25,051                                  |
| Net cash outflow arising from acquisition of subsidiaries           | 0                                       | (24,655)                                |
| Redemption of redeemable preference shares                          | 1,754                                   | 4,002                                   |
| Additional investment in associates                                 | (63,561)                                | (11,867)                                |
| Others  | 636                                     | 598                                     |
| <b>Net cash used in investing activities</b>                        | (144,464)                               | (140,262)                               |
| <b>Financing activities</b>   |   |   |
| Net repayments of borrowings  | (40,414)                                | (93,507)                                |
| Dividends paid to shareholders of the Company                       | (49,331)                                | (24,711)                                |
| Dividends paid to non-controlling interests in subsidiary companies | (10,436)                                | (19,335)                                |
| Repayment of CMS Income Securities                                  | (85,000)                                | (85,000)                                |
| Proceeds from exercise of employee share options                    | 6,501                                   | 77                                      |
| Purchase of treasury shares   | (23,319)                                | 0                                       |
| <b>Net cash used in financing activities</b>                        | (201,999)                               | (222,476)                               |
| <b>Net decrease in cash and cash equivalents</b>                    | (125,972)                               | (123,159)                               |
| <b>Cash and cash equivalents as at 1 January</b>                    | 650,272                                 | 773,431                                 |
| <b>Cash and cash equivalents as at 31 December</b>                  | 524,300                                 | 650,272                                 |
| Cash and cash equivalents as at 31 December comprise the following: |   |   |
| Cash and short term funds   | 524,300                                 | 650,272                                 |
| Bank overdrafts   | 0                                       | 0                                       |
|   | 524,300                                 | 650,272                                 |

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 – 31 DECEMBER 2012**

**Part A – Explanatory notes pursuant to MFRS 134**

**A1. Basis of preparation**

These condensed consolidated interim financial statements, for the year ended 31 December 2012 are unaudited and 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 ended 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 – 31 DECEMBER 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 (1 January 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 year ended 31 December 2011 by RM117,000.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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 (1 January 2011: RM1,269,000; 31 December 2011: RM1,395,000) with corresponding adjustments to retained earnings of RM1,328,000 (1 January 2011: RM1,208,000; 31 December 2011: RM1,328,000) and non-controlling interests of RM67,000 (1 January 2011: RM61,000; 31 December 2011: RM67,000).

**(f) 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 – 31 DECEMBER 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 31 December 2011

|                                      | FRS<br>As at<br>31.12.2011<br>RM'000 | Note A2(b)<br>Property, plant and<br>equipment<br>RM'000 | Note A2(c)<br>Foreign currency<br>translation reserve<br>RM'000 | Note A2(d)<br>Investment properties<br>RM'000 | Note A2(e)<br>Share of associates' effect of<br>transition to MFRS<br>RM'000 | MFRS<br>As at<br>31.12.2011<br>RM'000 |
|--------------------------------------|--------------------------------------|--|---|---|--|---------------------------------------|
| <b>Assets</b>                        |                                      |  |   |   |  |                                       |
| <b>Non-current assets</b>            |                                      |  |   |   |  |                                       |
| Property, plant and equipment        | 458,692                              |  |   |   |  | 458,692                               |
| Investment properties                | 6,095                                |  |   | (117)   |  | 5,978                                 |
| Goodwill and intangible assets       | 63,997                               |  |   |   |  | 63,997                                |
| Investments in associates            | 291,840                              |  |   |   | 1,395  | 293,235                               |
| Other non-current assets             | 96,553                               |  |   |   |  | 96,553                                |
|                                      | <u>917,177</u>                       |  |   |   |  | <u>918,455</u>                        |
| <b>Total current assets</b>          | 1,182,118                            |  |   |   |  | 1,182,118                             |
| <b>Total assets</b>                  | <b>2,099,295</b>                     |  |   |   |  | <b>2,100,573</b>                      |
| <b>Equity and liabilities</b>        |                                      |  |   |   |  |                                       |
| <b>Equity</b>                        |                                      |  |   |   |  |                                       |
| Share capital                        | 329,481                              |  |   |   |  | 329,481                               |
| Share premium                        | 427,590                              |  |   |   |  | 427,590                               |
| Capital reserve                      | 46,491                               | (12,633)   |   |   |  | 33,858                                |
| Translation reserve                  | (1,809)                              |  | 2,262   |   |  | 453                                   |
| Other reserves                       | (8,026)                              |  |   |   |  | (8,026)                               |
| Retained earnings                    | 621,086                              | 12,633   | (2,262)   | (117)   | 1,328  | 632,668                               |
|                                      | <u>1,414,813</u>                     |  |   |   |  | <u>1,416,024</u>                      |
| Non-controlling interests            | 185,933                              |  |   |   | 67   | 186,000                               |
|                                      | <u>1,600,746</u>                     |  |   |   |  | <u>1,602,024</u>                      |
| <b>Total non-current liabilities</b> | 108,523                              |  |   |   |  | 108,523                               |
| <b>Total current liabilities</b>     | 390,026                              |  |   |   |  | 390,026                               |
| <b>Total equity and liabilities</b>  | <b>2,099,295</b>                     |  |   |   |  | <b>2,100,573</b>                      |

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

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2012**

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

(ii) Reconciliation of total comprehensive income for the quarter ended 31 December 2011

|  | FRS<br>Quarter ended<br>31.12.2011<br>RM'000 | Note A2(d)<br>Investment<br>properties<br>RM'000 | Note A2(e)<br>Share of associates' effect<br>of transition to MFRS<br>RM'000 | MFRS<br>Quarter ended<br>31.12.2011<br>RM'000 |
|--|--|--|--|---|
| <b>Revenue</b>   | 287,520                                      |  |  | 287,520                                       |
| Cost of sales  | (208,008)                                    | (30)   |  | (208,038)                                     |
| Gross profit   | 79,512                                       |  |  | 79,482  |
| Other income   | 3,579  |  |  | 3,579   |
| Administrative expenses                                      | (18,441)                                     |  |  | (18,441)                                      |
| Selling and Other expenses                                   | (24,197)                                     |  |  | (24,197)                                      |
| Operating profit   | 40,453                                       |  |  | 40,423  |
| Finance costs  | (4,570)                                      |  |  | (4,570)                                       |
| Share of results of associates                               | 1,400  |  | (43)   | 1,357   |
| Share of results of jointly controlled entities              | 1,247  |  |  | 1,247   |
| Profit before tax  | 38,530                                       |  |  | 38,457  |
| Income tax expense   | (9,526)                                      |  |  | (9,526)                                       |
| <b>Profit for the period</b>                                 | <b>29,004</b>                                |  |  | <b>28,931</b>                                 |
| Other comprehensive income for the period, net of tax        | (475)  |  |  | (475)   |
| <b>Total comprehensive income for the period, net of tax</b> | <b>28,529</b>                                |  |  | <b>28,456</b>                                 |
| Profit attributable to:                                      |  |  |  |   |
| Owners of the Company  | 23,425                                       |  |  | 23,354  |
| Non-controlling interests                                    | 5,579  |  |  | 5,577   |
|  | <b>29,004</b>                                |  |  | <b>28,931</b>                                 |
| Total comprehensive income attributable to:                  |  |  |  |   |
| Owners of the Company  | 22,940                                       |  |  | 22,869  |
| Non-controlling interests                                    | 5,589  |  |  | 5,587   |
|  | <b>28,529</b>                                |  |  | <b>28,456</b>                                 |

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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2012**

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

(iii) Reconciliation of total comprehensive income for the 12 months ended 31 December 2011

|  | FRS<br>Quarter ended<br>31.12.2011<br>RM'000 | Note A2(d)<br>Investment<br>properties<br>RM'000 | Note A2(e)<br>Share of associates' effect<br>of transition to MFRS<br>RM'000 | MFRS<br>Quarter ended<br>31.12.2011<br>RM'000 |
|--|--|--|--|---|
| <b>Revenue</b>   | 1,012,609                                    |  |  | 1,012,609                                     |
| Cost of sales  | (753,243)                                    | (117)  |  | (753,360)                                     |
| Gross profit   | 259,366                                      |  |  | 259,249                                       |
| Other income   | 22,396                                       |  |  | 22,396  |
| Administrative expenses                                      | (56,894)                                     |  |  | (56,894)                                      |
| Selling and Other expenses                                   | (39,705)                                     |  |  | (39,705)                                      |
| Operating profit   | 185,163                                      |  |  | 185,046                                       |
| Finance costs  | (19,946)                                     |  |  | (19,946)                                      |
| Share of results of associates                               | 12,250                                       |  | 125  | 12,375  |
| Share of results of jointly controlled entities              | 1,247  |  |  | 1,247   |
| Profit before tax  | 178,714                                      |  |  | 178,722                                       |
| Income tax expense   | (34,233)                                     |  |  | (34,233)                                      |
| <b>Profit for the period</b>                                 | <b>144,481</b>                               |  |  | <b>144,489</b>                                |
| Other comprehensive income for the period, net of tax        | 512  |  |  | 512   |
| <b>Total comprehensive income for the period, net of tax</b> | <b>144,993</b>                               |  |  | <b>145,001</b>                                |
| Profit attributable to:                                      |  |  |  |   |
| Owners of the Company  | 120,021                                      |  |  | 120,022                                       |
| Non-controlling interests                                    | 24,461                                       |  |  | 24,467  |
|  | <b>144,482</b>                               |  |  | <b>144,489</b>                                |
| Total comprehensive income attributable to:                  |  |  |  |   |
| Owners of the Company  | 120,453                                      |  |  | 120,454                                       |
| Non-controlling interests                                    | 24,541                                       |  |  | 24,547  |
|  | <b>144,994</b>                               |  |  | <b>145,001</b>                                |

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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 year ended 31 December 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 year ended 31 December 2012, the Company issued 2,954,900 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 current quarter ended 31 December 2012, the Company repurchased 3,310,900 of its issued ordinary shares from the open market at an average price of RM3.24 per share. The total consideration paid for the repurchase including transaction costs was RM10,750,805 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.

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.

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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2012**

**A8. Segmental information**

|  | 3 months ended |                | 12 months ended  |                  |
|--|----------------|----------------|------------------|------------------|
|  | 31.12.2012     | 31.12.2011     | 31.12.2012       | 31.12.2011       |
|  |                | (Restated)     |                  | (Restated)       |
|  | RM'000         | RM'000         | RM'000           | RM'000           |
| <b>Segment Revenue</b>                         |                |                |                  |                  |
| Cement   | 145,351        | 127,420        | 544,449          | 463,433          |
| Construction materials & trading               | 136,165        | 81,059         | 335,050          | 267,842          |
| Construction & road maintenance                | 91,815         | 60,559         | 240,765          | 195,638          |
| Property development                           | 17,980         | 21,091         | 59,740           | 103,520          |
| Samalaju development                           | 18,791         | 12,705         | 72,250           | 26,314           |
| Strategic investments                          | 2,262          | 2,370          | 8,806            | 8,051            |
| HQ & dormant companies                         | 7,386          | 41,843         | 26,931           | 60,408           |
| Total revenue including inter-segment sales    | 419,750        | 347,047        | 1,287,991        | 1,125,206        |
| Elimination of inter-segment sales             | (27,311)       | (59,527)       | (84,725)         | (112,597)        |
|  | <b>392,439</b> | <b>287,520</b> | <b>1,203,266</b> | <b>1,012,609</b> |
| <b>Segment Results</b>                         |                |                |                  |                  |
| Operating profit/(loss):                       |                |                |                  |                  |
| Cement   | 13,506         | 26,844         | 66,374           | 101,316          |
| Construction materials & trading               | 17,364         | 8,631          | 40,660           | 25,117           |
| Construction & road maintenance ^              | 34,729         | 20,523         | 79,730           | 69,481           |
| Property development                           | 2,389          | 2,133          | 24,493           | 2,534            |
| Samalaju development                           | 4,397          | (17,498)       | 25,311           | (11,742)         |
| Strategic investments                          | (5,097)        | (782)          | (6,137)          | (703)            |
| Dormant companies                              | (10)           | (315)          | 6,815            | (1,068)          |
|  | <b>67,278</b>  | <b>39,536</b>  | <b>237,246</b>   | <b>184,935</b>   |
| Unallocated corporate expenses                 | (2,811)        | (3,683)        | (11,444)         | (19,835)         |
| Share of profit of associates                  | 1,767          | 1,357          | 4,030            | 12,375           |
| Share of profit of jointly controlled entities | 21             | 1,247          | 956              | 1,247            |
| Profit before tax                              | <b>66,255</b>  | <b>38,457</b>  | <b>230,788</b>   | <b>178,722</b>   |
| Income tax expenses                            | (16,938)       | (9,526)        | (60,261)         | (34,233)         |
| Net profit for the period                      | <b>49,317</b>  | <b>28,931</b>  | <b>170,527</b>   | <b>144,489</b>   |

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

With effect from the current quarter, the Trading Division is grouped together with the Construction Material Division. The Samalaju Development Division is involved in lodging and catering services while Strategic Investments includes financial services and education. The comparatives are restated accordingly.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2012**

**A9. Changes in the composition of the Group**

There have been no changes in the composition of the Group for the quarter ended 31 December 2012 except for the decrease in shareholdings in its associate, K&N Kenanga Holdings Berhad from 29.98% to 25.07% in December 2012 upon issuance of 120,000,000 new ordinary shares by the said associate, as part of its purchase consideration in connection with the acquisition of ECM Libra Investment Bank Berhad.

**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:

|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|---|----------------|----------------|----------------|----------------|
|   | RM'000         | RM'000         | RM'000         | RM'000         |
| <b>31 December 2012</b>                   |                |                |                |                |
| <b>Fair value through profit or loss:</b> |                |                |                |                |
| Fixed income debt securities              | -              | 55,537         | -              | 55,537         |
| Equity instruments                        | 23,017         | -              | -              | 23,017         |
| Unit trust funds                          | 28,394         | -              | -              | 28,394         |
|   | <u>51,411</u>  | <u>55,537</u>  | <u>-</u>       | <u>106,948</u> |
| <b>31 December 2011</b>                   |                |                |                |                |
| <b>Fair value through profit or loss:</b> |                |                |                |                |
| 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.

**CAHYA MATA SARAWAK BERHAD**

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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2012****A11. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 31 December 2012 was as follows:

|  | RM'000         |
|--|----------------|
| Capital expenditure for property, plant and equipment: |                |
| - Approved and contracted for                          | 17,634         |
| - Approved but not contracted for                      | 99,813         |
| Other capital commitments:                             |                |
| - Approved and contracted for                          | 26,551         |
| - Approved and not contracted for                      | 6,667          |
|  | <u>150,665</u> |

**A12. Related party transactions**

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

|   |      | Interest/<br>fee income<br>from/sales<br>to related<br>parties<br>RM '000 | Purchases<br>from/payment<br>for services<br>to related<br>parties<br>RM '000 | Amounts<br>owed by<br>related<br>parties<br>RM '000 | Amounts<br>owed to<br>related<br>parties<br>RM '000 |
|---|------|---|---|---|---|
| <b>Associates:</b>                            |      |   |   |   |   |
| - Kenanga Investment Bank Bhd                 | 2012 | 573   | -   | -   | -   |
|   | 2011 | 1,015   | -   | -   | -   |
| - COPE-KPF Opportunities 1 Sdn Bhd            | 2012 | 2,930   | -   | -   | -   |
|   | 2011 | 1,892   | -   | -   | -   |
| - KKB Engineering Bhd                         | 2012 | 6   | 185   | -   | 452   |
|   | 2011 | -   | 1,582   | -   | 741   |
| - Harum Bidang Sdn Bhd                        | 2012 | -   | 15,380  | -   | -   |
|   | 2011 | -   | -   | -   | 5,734   |
| - Kenanga Investors Bhd                       | 2012 | -   | 36  | -   | -   |
|   | 2011 | -   | 41  | -   | -   |
| <b>Jointly controlled entity:</b>             |      |   |   |   |   |
| - PPES Works Wibawa JV                        | 2012 | 30  | -   | 2   | -   |
|   | 2011 | -   | -   | -   | -   |
| <b>Key management personnel of the Group:</b> |      |   |   |   |   |
| - Directors' interest                         | 2012 | -   | 1,862   | -   | 14  |
|   | 2011 | -   | 2,028   | -   | 72  |

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

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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 year 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 – 31 DECEMBER 2012**

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

**B1. Review of performance**

**Quarter 4, 2012 (“4Q12”) vs. Quarter 4, 2011 (“4Q11”)**

The Group’s 4Q12 pre-tax profit (“PBT”) was 72% higher than previous year corresponding quarter. This significant increase came from:-

- i) Construction & Road Maintenance Division – higher road length maintained coupled with higher contract rate and more periodic maintenance work;
- ii) Construction Materials & Trading Division – benefited from the state government special funding for state and rural road improvement and maintenance, the economic activities in Samalaju Industrial Park and Federal road maintenance programme;
- iii) 4Q11 PBT was impacted by the write off of expenses relating to project under study totalling RM21.89 million; and
- iv) The reduced profitability by the Cement Division in the current year fourth quarter had, however, reduced the difference between the two quarters.

**Year-to-date, 2012 (“YE2012”) vs. Year-to-date, 2011 (“YE2011”)**

The Group’s revenue continued to be driven by the Cement Division, followed by the Construction Materials & Trading and the Construction & Road Maintenance Divisions.

The Group’s 2012 PBT was driven by the Construction & Road Maintenance Division, followed by the Cement and the Construction Materials & Trading Divisions. The Samalaju Development and the Property Development Divisions contributed sizeable PBT in YE2012 too.

The Cement Division recorded a 34% lower PBT in YE2012 over the preceding year. Despite the higher sales volume, this division’s PBT was dragged down by the underperformance of CMS Clinker due to the prolonged delay in the clinker plant upgrading project. This division is still a considerable contributor to the Group’s PATNCI though not the largest PBT contributor for YE2012 as compared to the past years.

The Construction & Road Maintenance Division became the largest contributor to the Group’s PBT surpassing the Cement Division for the first time and registered a 36% jump in PBT mainly due to the increase in contract rate for state road routine maintenance.

Benefiting from JKR sales through the state government special funding, the Construction Materials & Trading Division’s PBT increased by 62%.

The Property Development Division recorded a 867% higher PBT in YE2012 over the preceding year due largely to the recognition of profits for the sale of land in YE2012.

The Samalaju Development Division which commenced operations in 2<sup>nd</sup> quarter of 2011 reported a commendable PBT in 2012 with more blocks of lodges built and occupied, thus increasing revenue and profitability.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2012**

**B1. Review of performance (contd.)**

**Year-to-date, 2012 (“YE2012”) vs. Year-to-date, 2011 (“YE2011”) (contd.)**

The Strategic Investments Division (excluding the associates) recorded higher loss in YE2012 compared to YE2011 as a higher loss was reported by the education company but mitigated by a higher profit recorded by our private equity company.

Profit was recorded in the Dormant/Inactive Division in YE2012 as a result of the receipt of RM8.5 million settlement sum from Jerneh by our IT company following the favourable outcome of arbitration.

The Group recorded lower shares of profit from its associates in YE2012 compared to YE2011. The Group’s new associate namely OM Materials (Sarawak) Sdn Bhd recorded a marginal loss in YE2012.

**B2. Variations of results against previous quarter**

**Quarter 4, 2012 (“4Q12”) vs Quarter 3, 2012 (“3Q12”)**

The Group’s PBT of RM66.25 million in 4Q12 was 49% higher than the PBT of RM44.52 million reported in the previous quarter. The higher 4Q12 PBT was mainly due to:-

- i) Construction & Road Maintenance - more federal road maintenance work and profit recognized on account finalisation of completed project and state road maintenance; and
- ii) Construction Materials & Trading Divisions – more earnings from the road projects where the site were not ready in 3Q12.

The two listed associates’ performances also improved in the current quarter compared to the preceding quarter.

**B3. Prospects for the year ending 31 December 2013**

Whilst the operating environment faced by the Group will remain challenging, the Board expects that the Group’s financial performance to remain satisfactory for year ending 31 December 2013. 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 2012**

**B5. Income tax expense**

|   | 3 months ended |              | 12 months ended |               |
|---|----------------|--------------|-----------------|---------------|
|   | 31.12.2012     | 31.12.2011   | 31.12.2012      | 31.12.2011    |
|   | RM'000         | RM'000       | RM'000          | RM'000        |
| Current income tax:                                   |                |              |                 |               |
| - Malaysian income tax                                | 23,430         | (3,513)      | 66,536          | 32,450        |
| - Over/(under) provision in respect of previous years | 146            | (867)        | 363             | (12,123)      |
| Deferred tax  | (6,638)        | 13,906       | (6,638)         | 13,906        |
| Total income tax expense                              | <u>16,938</u>  | <u>9,526</u> | <u>60,261</u>   | <u>34,233</u> |

The effective tax rate for the previous 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**

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

**B7. Borrowings**

|   | As at<br>31.12.2012<br>RM'000 | As at<br>31.12.2011<br>RM'000 |
|---|-------------------------------|-------------------------------|
| <b>Secured</b>                              |                               |                               |
| Revolving credits                           | 15,000                        | 15,000                        |
| Hire purchase and finance lease liabilities | 32                            | 170                           |
| <b>Unsecured</b>                            |                               |                               |
| Bankers' acceptances                        | 3,723                         | 25,808                        |
| Term loans                                  | 64,240                        | 85,680                        |
| CMS Income Securities                       | 0                             | 85,507                        |
| Loan from corporate shareholder             | 6,831                         | 3,583                         |
| <b>Total</b>                                | <u>89,826</u>                 | <u>215,748</u>                |
| <b>Maturity</b>                             |                               |                               |
| Repayable within one year                   | 40,730                        | 148,444                       |
| One year to five years                      | 49,096                        | 66,476                        |
| Over five years                             | 0                             | 828                           |
|   | <u>89,826</u>                 | <u>215,748</u>                |

All borrowings were denominated in Ringgit Malaysia.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2012**

**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.

**B12. Dividend payable**

The Board of Directors has proposed to declare a final dividend at the coming Annual General Meeting of 12 sen per share less 25% tax (2011: 15 sen per share less 25% tax). The dividend entitlement and payment date for the final dividend will be announced at a later date.

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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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<br>31.12.2012 31.12.2011<br>(Restated) |         | 12 months ended<br>31.12.2012 31.12.2011<br>(Restated) |         |
|--|---|---------|--|---------|
| Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000) | 38,224  | 23,354  | 138,807  | 120,022 |
| Weighted average number of ordinary shares in issue ('000)   | 325,804   | 329,481 | 327,928  | 329,469 |
| Basic earnings per share (sen)   | 11.73   | 7.09    | 42.33  | 36.43   |
| Weighted average number of ordinary shares for diluted earnings per share computation ('000)                   | 327,496   | N/A     | 329,646  | N/A     |
| Diluted earnings per share (sen)   | 11.67   | N/A     | 42.11  | N/A     |

\* 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.

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2012**

**B15. Additional disclosure on profit for the period**

|   | Quarter<br>ended<br>31.12.2012<br>RM'000 | Financial<br>year ended<br>31.12.2012<br>RM'000 |
|---|--|---|
| Profit for the period is arrived at after charging/(crediting): |  |   |
| Amortisation of intangible assets                               | 278                                      | 113   |
| Amortisation of prepaid land lease payments                     | 181                                      | 725   |
| Bad debt written off  | 128                                      | 128   |
| Property, plant and equipment written off                       | 334                                      | 337   |
| Depreciation of property, plant and equipment                   | 16,677                                   | 51,903  |
| Depreciation of investment properties                           | 29                                       | 117   |
| (Gain)/loss on foreign exchange                                 | 1,722                                    | 914   |
| (Gain)/loss on disposal of property, plant and equipment        | (576)                                    | (972)   |
| (Gain)/loss on disposal of investments                          | (376)                                    | (948)   |
| (Gain)/loss on fair value changes of derivatives                | -  | -   |
| Impairment loss on trade receivables                            | 2,117                                    | 2,235   |
| Interest expense  | 2,602                                    | 11,356  |
| Interest income   | 2,771                                    | (10,355)  |
| Inventory written off   | 430                                      | 661   |
| Net fair value changes in investment securities                 | 234                                      | (626)   |
| Reversal of allowance for impairment loss on trade receivables  | -  | (187)   |
| Reversal of allowance for obsolete inventory                    | (21)                                     | (237)   |
| Write down of inventory   | 991                                      | 1,056   |

**B16. Realised and unrealised profits/losses**

|  | As at<br>31 December<br>2012<br>RM'000 | As at<br>31 December<br>2011<br>(Restated)<br>RM'000 |
|--|--|--|
| Total retained earnings of the Company and its subsidiaries: |  |  |
| - Realised   | 657,060                                | 560,775  |
| - Unrealised   | (13,816)                               | (21,079)   |
|  | 643,244                                | 539,696  |
| Total retained earnings from associates:                     |  |  |
| - Realised   | 10,542                                 | 12,990   |
| - Unrealised   | 3,380                                  | 5,924  |
|  | 13,922                                 | 18,914   |
| Total retained earnings from jointly controlled entities:    |  |  |
| - Realised   | 3,948                                  | 1,427  |
|  | 661,114                                | 560,037  |
| Add: consolidation adjustments                               | 61,031                                 | 72,631   |
| Total Group retained earnings as per consolidated accounts   | 722,145                                | 632,668  |

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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 27 February 2013.

**BY ORDER OF THE BOARD**

Koo Swee Pheng

**Secretary**

**Date: 27 February 2013**



**CAHYA MATA SARAWAK**

Company No: 21076-T

**FOR IMMEDIATE RELEASE**

## **CAHYA MATA SARAWAK BERHAD POSTS RECORD PROFIT**

***4Q pre-tax profit up 49% to RM66.25 million***

**Kuching (Sarawak), Wednesday, 27 February 2013.** Cahya Mata Sarawak Berhad (CMSB - 2852), the State's leading infrastructure facilitator, continues with its record performance by registering RM230.79 million in pre-tax profit (PBT) for the year ended 31 December 2012. This represents a 29% increase from the RM178.72 million recorded in the corresponding year to December 2011. Earnings Per Share (EPS) was also higher at RM0.42. Revenue grew to RM1.20 billion, 19% higher compared to the year ended December 2011. Following the payment of an interim dividend of 5 sen, a final dividend of 12 sen per share less 25% taxation has been proposed, subject to shareholders' approval, for the financial year ended 31 December 2012 bringing the total dividend payout to 17 sen (less 25% taxation). This payout is in line with CMSB's dividend policy of paying out a minimum of 30% of its PATNCl as dividends.

For the final quarter of last year, CMSB achieved an improved revenue of RM392.44 million, up 36% compared to RM288.28 million in the previous quarter. PBT stood at RM66.26 million, representing an increase of 49% compared to RM44.52 million registered in the third quarter of 2012. The increase in PBT was attributable to higher earnings streams from its Construction & Road Maintenance and Construction Materials & Trading Divisions.

Dato' Richard Curtis, Group Managing Director of CMSB said, "The 19% improvement in CMSB's 2012 revenue was largely due to the increase in revenue by the Cement Division followed by the Construction Materials & Trading, the Construction & Road Maintenance, and the Samalaju





**CAHYA MATA SARAWAK**  
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Development Divisions. For the first time, the Construction & Road Maintenance Division was the largest contributor to the Group's PBT registering a 36% jump in PBT to RM80.69 million (including the share of profit in jointly controlled entities) for the financial year ended 31 December 2012 from RM59.30 million recorded in the corresponding year (excluding the gain on acquisition of two subsidiaries). This was mainly due to the higher road length being maintained and to an upward contractual revision in state road routine maintenance rates. The Construction Materials & Trading Division's PBT soared by 62%, largely driven by Jabatan Kerja Raya (JKR) sales through the state government special funding."

"We are pleased with the progress made by all our core business divisions and remain confident of their sustainable growth over the long term. Going forward, CMSB's strong financial position is enabling it to invest in the unparalleled investment opportunities arising from energy intensive industries locating themselves in the Sarawak Corridor of Renewable Energy (SCORE), the first such investment being CMSB's 20% stake in the joint venture ferro silicon smelter with Australian listed, OM Holdings Ltd. These investments are expected to create new platforms to accelerate CMSB's growth and to increase shareholder value" added Dato' Curtis.

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 infrastructure required across the State.

- End -

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#### ***About Cahya Mata Sarawak Berhad***

*Cahya 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.*



**CAHYA MATA SARAWAK**

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*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 and Beyond".*

*Today, our portfolio of over 30 companies spans both our core businesses in the manufacturing & trading of cement & construction materials, construction, road maintenance, township, property & infrastructure development and our strategic investments in financial services (through K&N Kenanga Holdings Bhd), education and steel & pipe fabrication & installation (through KKB Engineering Bhd).*

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