

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 March 2014

	Note	3 months ended		3 months ended	
		31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Revenue	A8	373,239	310,359	373,239	310,359
Cost of sales		(286,506)	(237,115)	(286,506)	(237,115)
Gross profit		86,733	73,244	86,733	73,244
Other income		2,383	3,178	2,383	3,178
Administrative expenses		(20,789)	(16,747)	(20,789)	(16,747)
Selling and marketing expenses		(3,248)	(2,803)	(3,248)	(2,803)
Other expenses		(1,650)	(1,349)	(1,650)	(1,349)
Operating profit		63,429	55,523	63,429	55,523
Finance costs		(877)	(1,064)	(877)	(1,064)
Share of results of associates		2,113	354	2,113	354
Share of results of joint ventures		1,526	0	1,526	0
Profit before taxation		66,191	54,813	66,191	54,813
Income tax expense	B5	(18,489)	(16,806)	(18,489)	(16,806)
Profit for the period		47,702	38,007	47,702	38,007
Other comprehensive income					
Exchange fluctuation from translation of subsidiary's net asset		(156)	(2)	(156)	(2)
Share of associate's total comprehensive income		(1,725)	8	(1,725)	8
Other comprehensive income for the period, net of tax		(1,881)	6	(1,881)	6
Total comprehensive income for the period, net of tax		45,821	38,013	45,821	38,013
Profit attributable to:					
Owners of the Company		38,896	28,727	38,896	28,727
Non-controlling interests		8,806	9,280	8,806	9,280
		47,702	38,007	47,702	38,007
Total comprehensive income attributable to:					
Owners of the Company		36,859	28,733	36,859	28,733
Non-controlling interests		8,719	9,280	8,719	9,280
		45,578	38,013	45,578	38,013
		sen	sen	sen	sen
Earnings per share attributable to owners of the Company:					
Basic	B13	11.46	8.89	11.46	8.89
Diluted		11.36	8.86	11.36	8.86

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and 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 March 2014

	Note	Unaudited As at 31.03.2014 RM'000	Audited As at 31.12.2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		498,172	499,673
Prepaid land lease payments		17,310	17,501
Land held for property development		65,549	65,954
Investment properties		5,714	5,743
Intangible assets		225	230
Goodwill		61,709	61,709
Investments in associates		391,177	380,528
Investments in joint ventures		4,072	3,945
Deferred tax assets		23,007	23,007
Other receivables		9,414	9,379
Investment securities		7,224	7,169
		<u>1,083,573</u>	<u>1,074,838</u>
Current assets			
Property development costs		151,347	147,546
Inventories		110,652	130,546
Trade and other receivables		285,385	267,398
Other current assets		40,353	25,362
Investment securities		129,357	127,068
Tax recoverable		514	3,196
Cash and bank balances		612,131	613,708
		<u>1,329,739</u>	<u>1,314,824</u>
Assets classified as held for sale		34,230	34,230
		<u>1,363,969</u>	<u>1,349,054</u>
TOTAL ASSETS		<u>2,447,542</u>	<u>2,423,892</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		340,281	339,704
Treasury shares		0	(3,629)
Share premium		449,871	448,663
Other reserves		12,666	14,286
Retained earnings		895,828	855,093
		<u>1,698,646</u>	<u>1,654,117</u>
Non-controlling interests		<u>242,326</u>	<u>233,589</u>
Total equity		<u>1,940,972</u>	<u>1,887,706</u>
Non-current liabilities			
Deferred tax liabilities		33,744	33,712
Loans and borrowings	B7	16,369	27,089
Other payables		24,072	24,072
		<u>74,185</u>	<u>84,873</u>
Current liabilities			
Income tax payable		21,563	23,395
Loans and borrowings	B7	68,579	73,013
Trade and other payables		324,626	340,106
Other current liabilities		17,617	14,799
		<u>432,385</u>	<u>451,313</u>
Total liabilities		<u>506,570</u>	<u>536,186</u>
TOTAL EQUITY AND LIABILITIES		<u>2,447,542</u>	<u>2,423,892</u>
Net assets per share attributable to ordinary owners of the Company (RM)		<u>5.00</u>	<u>4.88</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

Cahya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of changes in equity for the period ended 31 March 2014

	Equity, total RM'000	< ----- Attributable to Owners of the Company ----- >						Non- controlling interests RM'000
		Equity attributable to owners of the Company RM'000	< ----- Non-distributable ----- >				Distributable	
			Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	
At 1 January 2014	1,887,706	1,654,117	339,704	(3,629)	448,663	14,286	855,093	233,589
Total comprehensive income for the period	45,822	37,085	0	0	0	(1,811)	38,896	8,737
Transaction with owners:-								
Grant of equity-settled share options to employees	429	429	0	0	0	429	0	0
Exercise of employee share options	1,272	1,272	577	0	1,208	(513)	0	0
Liquidation of a subsidiary	0	0	0	0	0	275	(275)	0
Sale of treasury shares	5,743	5,743	0	3,629	0	0	2,114	0
Total transactions with owners	7,444	7,444	577	3,629	1,208	191	1,839	0
At 31 March 2014	1,940,972	1,698,646	340,281	0	449,871	12,666	895,828	242,326

Cahya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of changes in equity for the year ended 31 March 2013

	Equity, total RM'000	< ----- Attributable to Owners of the Company ----- >						Non- controlling interests RM'000
		Equity attributable to owners of the Company RM'000	< ----- Non-distributable ----- >				Distributable	
			Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Other reserves RM'000		
At 1 January 2013	1,686,923	1,480,923	332,436	(23,319)	433,821	19,302	718,683	206,000
Total comprehensive income for the period	38,013	28,733	0	0	0	6	28,727	9,280
Transaction with owners:-								
Grant of equity-settled share options to employees	876	876	0	0	0	876	0	0
Exercise of employee share options	1,058	1,058	481	0	1,015	(438)	0	0
Purchase of treasury shares	(10,092)	(10,092)	0	(10,092)	0	0	0	0
Total transactions with owners	(8,158)	(8,158)	481	(10,092)	1,015	438	0	0
At 31 March 2013	1,716,778	1,501,498	332,917	(33,411)	434,836	19,746	747,410	215,280

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

Cahya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of cash flows for the year ended 31 March 2014

	3 months ended 31.03.2014 RM'000	3 months ended 31.03.2013 RM'000
Profit before taxation	66,191	54,813
Adjustments for non-cash items:		
Non-cash items	2,792	11,150
Operationg cash flows before changes in working capital	68,983	65,963
Changes in working capital		
Increase in current assets	(17,307)	(35,571)
Decrease in current liabilities	(12,661)	(11,894)
Cash flows from operations	39,015	18,498
Interest received	950	2,075
Interest paid	(871)	(1,037)
Income tax paid, net of refund	(17,607)	(12,738)
Net cash flows from operating activities	21,487	6,798
Investing activities		
Purchases of investment securities	(7,114)	(22,808)
Dividends from investments	5,111	3,018
Additional investment in associates	(10,260)	(7,600)
Acquisition of property, plant and equipment	(10,039)	(6,305)
Additional investment in investment properties	0	(15)
Proceeds from disposal of property, plant and equipment	202	0
Proceeds from disposal of investments	5,776	16,016
Others	1,399	(8)
Net cash used in investing activities	(14,925)	(17,702)
Financing activities		
Drawdown/(repayments) of borrowings	(15,154)	(5,404)
Purchase of treasury shares	0	(10,092)
Proceeds from disposal of treasury shares	5,743	0
Proceeds from exercise of employee share options	1,272	1,058
Net cash used in financing activities	(8,139)	(14,438)
Net decrease in cash and cash equivalents	(1,577)	(25,342)
Cash and cash equivalents as at 1 January	613,708	524,015
Cash and cash equivalents as at 31 March	612,131	498,673
Cash and cash equivalents as at 31 March comprised the following:		
Cash and short term funds	612,131	498,673
Bank overdrafts	0	0
	612,131	498,673

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

Part A – Explanatory notes pursuant to MFRS 134

A1. Basis of preparation

These condensed consolidated interim financial statements, for the year ended 31 March 2014 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.

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. 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 2013.

A2. Changes in accounting policies

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2013, except with the adoption of the following Malaysian Financial Reporting Standards (“MFRS”), IC interpretations and Amendments to MFRSs and interpretations.

- Amendments to MFRS 10, MFRS 12 and MFRS 127, Investment Entities
- Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136, Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139, Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21, Levies

The initial application of the above is not expected to have any material financial impact on the Group’s results.

A3. Seasonal or cyclical factors

The business operations of the Group are generally non-cyclical or seasonal. Ordinarily, however, there is a lower level of activity, particularly for the Construction and Road Maintenance Division and Construction Material Division, during the 1st quarter of the year.

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 2014.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

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 quarter ended 31 March 2014, the Company issued 577,200 ordinary shares of RM1.00 each for cash pursuant to the Company's Employee Share Option Scheme at exercise prices of RM2.20 and RM2.23 per ordinary share.

During the current quarter ended 31 March 2014, the Company had resold 801,000 treasury shares on the open market for a total consideration of RM5,742,916, net of commission. After the resale of the treasury shares, the Company no longer holds any treasury share in its books.

A7. Dividends paid

There was no dividend paid during the quarter ended 31 March 2014.

<i>THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</i>
--

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

A8. Segmental information

	3 months ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
Segment Revenue		
Cement	132,477	129,034
Construction materials & trading	132,768	92,574
Construction & road maintenance	86,663	66,315
Property development	29,278	8,826
Samalaju development #	2,175	27,027
Strategic investments *	2,744	2,403
Others	7,696	6,335
Total revenue including inter-segment sales	393,801	332,514
Elimination of inter-segment sales	(20,562)	(22,155)
	<u>373,239</u>	<u>310,359</u>
Segment Results		
Operating profit/(loss):		
Cement	20,436	21,093
Construction materials & trading	12,383	11,101
Construction & road maintenance	16,339	17,485
Property development	18,698	(432)
Samalaju development #	3,597	11,757
Strategic investments *	(986)	(857)
Others	66	66
	<u>70,533</u>	<u>60,213</u>
Unallocated corporate expenses	(7,981)	(5,754)
Share of results of associates	2,113	354
Share of results of joint ventures	1,526	0
Profit before tax	66,191	54,813
Income tax expenses	(18,489)	(16,806)
Profit for the year	<u>47,702</u>	<u>38,007</u>

Lodging and catering services.

* Financial services and education.

A9. Changes in composition of the Group

There have been no changes in the composition of the Group for the quarter ended 31 March 2014.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

A10. Fair value of instruments

(a) Determination of fair value

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments, by class, which are not carried at fair value in the financial statements. It does not include those short term/on demand financial assets and financial liabilities where the carrying amounts are reasonable approximation of their fair values:

	31 March 2014		31 March 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial assets:				
Available-for-sale financial assets:				
- Equity instruments	300	300	300	300
- Redeemable participating shares	6,924	6,924	230	230
	<u>7,224</u>	<u>7,224</u>	<u>530</u>	<u>530</u>
Financial liabilities:				
Interest-bearing loans and borrowings				
- Bankers' acceptances	31,576	31,576	12,840	12,840
- Term loan	32,080	32,174	53,520	53,677
- Finance lease liabilities	12	12	30	30
- Revolving credits	15,000	15,000	15,000	15,000
- Loans from corporate shareholders	6,280	7,349	3,032	3,486
	<u>84,948</u>	<u>86,111</u>	<u>84,422</u>	<u>85,033</u>

(b) Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3- Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

CAHYA MATA SARAWAK BERHAD

(Company No. 21076-T)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014**A10. Fair value of instruments (contd.)****(b) Fair value hierarchy (contd.)**

As at the reporting date, the Group held the following financial assets and liabilities that were measured at fair value by level of fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2014				
Financial assets				
Income debt securities fund	-	59,252	-	59,252
Equity instruments	41,149	-	-	41,149
Unit trust funds	28,493	-	-	28,493
Wholesale fund	-	1,464	-	1,464
	<u>69,642</u>	<u>60,716</u>	<u>-</u>	<u>130,358</u>
31 March 2013				
Financial assets				
Income debt securities fund	-	55,983	-	55,983
Equity instruments	29,681	-	-	29,681
Unit trust funds	28,577	-	-	28,577
Wholesale fund	-	698	-	698
	<u>58,258</u>	<u>56,681</u>	<u>-</u>	<u>114,939</u>

There have been no transfers between any levels during the current interim period and the comparative period.

A11. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 December 2013 was as follows:

	RM'000
Approved and contracted for:	
- Property, plant and equipment	63,795
- Others	8,895
	<u>72,690</u>
Approved and not contracted for:	
- Property, plant and equipment	258,550
- Intangible assets	2,000
- Investment properties	37,500
- Investment in associates	133,708
- Others	6,667
	<u>438,425</u>
	<u>511,115</u>

CAHYA MATA SARAWAK BERHAD

(Company No. 21076-T)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014**A12. Changes in contingent liabilities and contingent assets**

There were no changes in the contingent liabilities or contingent assets since the last annual reporting date.

A13. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the three-month period ended 31 March 2014 and 31 March 2013 as well as the balances with the related parties as at 31 March 2014 and 31 December 2013:

		Interest/ fee income from/sales to related parties RM '000	Purchases from/payment for services to related parties RM '000	Amounts owed by related parties RM '000	Amounts owed to related parties RM '000
Associates:					
- Kenanga Investment Bank Bhd	2014	99	-	-	-
	2013	43	-	-	-
- COPE-KPF Opportunities 1 Sdn	2014	431	-	-	-
	2013	590	-	-	-
- KKB Engineering Bhd	2014	61	-	61	-
	2013	-	-	-	-
- Harum Bidang Sdn Bhd	2014	-	40,031	-	32,259
	2013	-	9,504	-	18,429
- Kenanga Investors Bhd	2014	4,348	739	-	-
	2013	2,796	91	-	-
Key management personnel of the Group:					
- Directors' interest	2014	726	442	-	2
	2013	282	1,923	-	156

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

A14. Subsequent event

There was no material event subsequent to the statement of financial position date that has not been reflected in the quarterly financial statements.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

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

B1. Review of performance

Quarter 1, 2014 (“1Q14”) vs Quarter 1, 2013 (“1Q13”)

The 20% rise in Group revenue was mainly attributable to higher revenue from the Construction Materials & Trading Division which contributed 64% to the increase. The main contributors to the Group revenue were the Cement, Construction Materials & Trading and Construction & Road Maintenance Divisions. Together, these three Divisions contributed 89% (2013: 86%) to the Group revenue.

The main contributors to the Group’s PBT were the Cement, Construction & Road Maintenance as well as Property Development Divisions. These three Divisions made a combined contribution of 86% (2013: 69%) to the Group’s PBT.

The Cement Division recorded a slight (3%) reduction in PBT of RM20.44 million in 1Q14 over 1Q13’s PBT of RM21.09 million, attributed mainly to lower cement and clinker production volume due to repair and maintenance and higher volume of imported cement to meet market demand. Demand for its ready-mix concrete was also lower due to the completion of a major project.

The Construction & Road Maintenance Division posted a PBT of RM17.86 million which included the share of profit of joint ventures in 1Q14, representing an increase of 2% over 1Q13’s profit of RM17.49 million.

The Property Development Division’s PBT grew by 4428% to RM18.70 million in 1Q14 in comparison to a loss before tax of RM432,000 in 1Q13, mainly due to the recognition of profit from the sale of land in the current quarter and profit from sale of properties.

The Construction Materials & Trading Division reported a higher PBT of RM12.38 million for 1Q14, exceeding 1Q13’s PBT of RM11.10 million by 12%. This was primarily due to the secured supply and delivery of polyurethane mild steel pipes by the trading business, the first batch of which was delivered in December 2013. The quarrying, premix and wires businesses reported slightly lower PBT than 1Q13 due to higher production costs (price increase in bitumen and diesel), competitive selling prices and the reduction of selling prices by competitors due to reduced demand.

The Samalaju Division registered a sharp 69% drop in PBT (excluding the associates) to RM3.60 million for 1Q14 as compared to RM11.76 million in 1Q13, on the back of lower revenue as a result of lower occupancy and rates.

The Strategic Investments Division (excluding the listed associates) turned in a slightly higher loss in 1Q14 compared to 1Q13, primarily due to lower interest income recorded by the investment company.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

B2. Material changes in profit before tax for the quarter (Quarter 1, 2014 vs Quarter 4, 2013)

The Group's revenue and PBT for the 1Q14 were 14% and 39% lower than for 4Q13 respectively, largely due to lower contributions from the Construction & Road Maintenance, Property Development and Construction Materials & Trading Divisions.

The Cement Division's PBT slid slightly by 6% in 1Q14 due to lower sales volume which was affected by the Chinese New Year, wet season and government funding.

The Construction Materials & Trading Division's PBT in 1Q14 dropped by 27% on the back of lower sales. The Jabatan Kerja Raya's MARRIS program on maintenance of the state and rural roads for 2014 has not been rolled out and implemented yet in 1Q14 whilst it was in full swing to complete the 2013 program in 4Q13.

The Construction & Road Maintenance Division's 1Q14 PBT was 57% lower than that of 4Q13. Results for 4Q13 were exceptionally good as several instructed works for state roads were claimed whilst most instructed works, albeit at lower amounts in 1Q14 have yet to be claimed. Periodic maintenance works were also elevated in 4Q13 having benefited from government spending.

The Property Development Division's 1Q14 PBT decreased by 40% as compared to 4Q13. The profit recognised from land sale in 1Q14 was lower.

The Samalaju Development Division reported a PBT of RM3.60 million in 1Q14 as compared to a loss of RM13,000 in 4Q13. The loss in 4Q13 was mainly due to higher depreciation charge.

B3. Prospects for the year ending 31 December 2014

Whilst the operating environment faced by the Group will remain challenging, the Board expects that the Group's financial performance to be good for year ending 31 December 2014. The Group's strong financial position will enable the Group to invest in new business opportunities especially in 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 MARCH 2014

B5. Income tax expense

	3 months ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
Current income tax:		
- Malaysian income tax	18,457	16,806
- Over/(under) provision in respect of previous years	-	-
Deferred tax	31	-
Total income tax expense	<u>18,488</u>	<u>16,806</u>

The effective tax rate for the quarters ended 31 March 2014 and 31 March 2013 were higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

B6. Corporate proposals

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

On 31 March 2014, the Company proposed to undertake the following proposals:-

- (a) a subdivision of every one (1) Share into two (2) Subdivided Shares and every one (1) Preference Share into two (2) Subdivided Preference Shares on the Entitlement date;
- (b) amendments to the memorandum and articles of association of the Company to facilitate the implementation of the Proposed Subdivision; and
- (c) a bonus issue of up to 362,390,340 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) Subdivided Shares held on the Entitlement Date.

The Proposals are subject to the approval of the Shareholders of the Company at an extraordinary general meeting to be convened on 15 May 2014.

CAHYA MATA SARAWAK BERHAD

(Company No. 21076-T)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014**B7. Borrowings**

	As at 31.03.2014 RM'000	As at 31.12.2013 RM'000
Secured		
Revolving credits	15,000	15,000
Finance lease liabilities	12	16
Unsecured		
Bankers' acceptances	31,576	36,006
Term loan	32,080	42,800
Loan from corporate shareholder	6,280	6,280
Total	84,948	100,102
Maturity		
Repayable within one year	68,579	73,013
One year to five years	16,369	21,911
5 years or more	-	5,178
	84,948	100,102

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 2012.

CAHYA MATA SARAWAK BERHAD**(Company No. 21076-T)****NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014****B12. Dividend payable**

No interim dividend has been declared for the financial period ended 31 March 2014 (31 March 2013: Nil).

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	
	31.03.2014	31.03.2013
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	38,896	28,727
Weighted average number of ordinary shares in issue ('000)	339,432	323,087
Basic earnings per share (sen)	11.46	8.89
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	342,418	324,171
Diluted earnings per share (sen)	11.36	8.86

B14. Auditor's report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2012 was not subject to any qualification.

CAHYA MATA SARAWAK BERHAD

(Company No. 21076-T)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014**B15. Additional disclosure on profit for the period**

	Quarter ended 31.03.2014 RM'000	Financial period ended 31.03.2014 RM'000
Profit for the period is arrived at after charging/(crediting):		
Amortisation of intangible assets	6	6
Amortisation of prepaid land lease payments	149	149
Bad debt written off	-	-
Property, plant and equipment written off	3	3
Depreciation of property, plant and equipment	11,331	11,331
Depreciation of investment properties	29	29
(Gain)/loss on foreign exchange	113	113
(Gain)/loss on disposal of property, plant and equipment	51	51
(Gain)/loss on disposal of investments	(302)	(302)
(Gain)/loss on fair value changes of derivatives	-	-
Impairment loss on trade receivables	30	30
Interest expense	871	871
Interest income	(980)	(980)
Inventory written off	4	4
Net fair value changes in investment securities	(291)	(291)
Reversal of allowance for impairment loss on trade receivables	-	-
Reversal of allowance for obsolete inventory	-	-
Write down of inventory	-	-

B16. Realised and unrealised profits/losses

	As at 31 March 2014 RM'000	As at 31 December 2013 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	854,595	826,620
- Unrealised	(7,465)	(7,724)
	847,130	818,896
Total retained earnings from associates:		
- Realised	6,756	10,184
- Unrealised	2,431	(597)
	9,187	9,587
Total retained earnings from jointly controlled entities:		
- Realised	4,072	3,945
	860,389	832,428
Add: consolidation adjustments	35,439	22,665
Total Group retained earnings as per consolidated accounts	895,828	855,093



CAHYA MATA SARAWAK

Press Release

Wednesday, 15 May 2014

CAHYA MATA SARAWAK BERHAD RECORDS PROFIT
1Q pre-tax profit up 21% to RM66.19 million

For Immediate Release

CAHYA MATA SARAWAK BERHAD RECORDS PROFIT ***1Q pre-tax profit up 21% to RM66.19 million***

Kuching (Sarawak), Wednesday, 14 May 2014. Cahya Mata Sarawak Berhad (CMSB - 2852), the State's leading infrastructure facilitator, is pleased to announce that it has reported a pre-tax profit (PBT) of RM66.19 million for the first quarter ended 31 March 2014 (1Q14), a 21% increase from the preceding year's corresponding quarter's (1Q13) PBT of RM54.81 million. Furthermore, its quarter-on-quarter revenue rose 20% to RM373.24 million from RM310.36 million and profit after tax and non-controlling interests (PATNCI) increased by 35% to RM38.90 million from RM28.73 million in 1Q13. Earnings per share stood at 11.46 sen versus 8.89 sen from the corresponding three-month period of last year.

The main contributors towards the solid PBT earnings for 1Q14 were the Cement, Construction & Road Maintenance and Property Development Divisions. The Cement Division recorded a slight reduction (3%) in PBT of RM20.44 million in 1Q14 in comparison to 1Q13's PBT of RM21.09 million, due to its Clinker plant's requirement for repair and maintenance work between late February and March. The Property Development Division's PBT grew to RM18.70 million in 1Q14 in comparison to a loss before tax of RM432,000 in 1Q13, which was mainly due to the recognition of profit from the sale of land in the current quarter and the increased sale of properties. The Construction Materials & Trading and Construction & Road Maintenance Divisions also reported higher revenues and PBT compared to the corresponding three-month period of last year.



CAHYA MATA SARAWAK

Press Release

Wednesday, 15 May 2014

CAHYA MATA SARAWAK BERHAD RECORDS PROFIT
1Q pre-tax profit up 21% to RM66.19 million

Commenting on the results, Dato' Richard Curtis, Group Managing Director of CMSB said: "This has been an important quarter for us in terms of meeting performance against targets, which is a credit to our professional and prudent management and staff. Significant achievements have been recorded namely by the Construction Materials & Trading, Construction & Road Maintenance and Property Development Divisions, which saw robust rises year-on-year in PBT by 12%, 2% and 4428% respectively. The result for 1Q14 is viewed positively, as it reassures that the Group is on track to perform solidly in its financial results for the full year of 2014.

"We strongly believe that CMSB is one of the best proxy listed investments for Sarawak's accelerating economic growth. This is driven by the State's plan to promote energy intensive industries under the Sarawak Corridor for Renewable Energy (SCORE) initiative and consequently from the infrastructure and related services required across the State. These two drivers are set to propel the State's economy and GDP to new heights. CMSB's 20% stake in the joint venture ferro silicon and manganese alloys smelter project with Australian listed OM Holdings Ltd and 40% stake in an integrated Phosphate Products complex with Malaysian Phosphate Additives Sdn Bhd and Arif Enigma Sdn Bhd - plus other investments being evaluated - are poised to significantly drive up shareholder value. Our prudent financial policies, healthy balance sheet, and strong corporate governance measures allows us to maximise our participation in the Sarawak growth story and to position ourselves to ensure long-term sustainable growth", said Dato' Curtis.

##END##



CAHYA MATA SARAWAK

Press Release

Wednesday, 15 May 2014

CAHYA MATA SARAWAK BERHAD RECORDS PROFIT
1Q pre-tax profit up 21% to RM66.19 million

For Media Enquiries Cahya Mata Sarawak Berhad	For Media Enquiries Edelman Public Relations
Shirly Ann Clarke Group Corporate Communications Tel : +60 82 238 888 shirlyac@hq.cmsb.com.my	Joseph Cheong Executive Tel : +60 3 2287 8689 joseph.cheong@edelman.com

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 Berhad has evolved from a single product manufacturer of cement beginning in 1974 to become a conglomerate focused on its Vision "To Become the Pride of Sarawak & Beyond".

Today, our portfolio spans over 35 companies involved in cement manufacturing, construction materials, trading, construction, road maintenance, property development, financial services, education and other services.