

CAHYA MATA SARAWAK BERHAD

(Company No: 21076-T)

(Incorporated in Malaysia)

Interim Financial Report

Condensed consolidated income statements for the six-month period ended 30 June 2006

		3 months ended		6 months ended	
		30.6.2006	30.6.2005	30.6.2006	30.6.2005
		RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
Note					
Continuing Operations					
Revenue	A8	1,445,489	1,264,151	2,820,542	2,424,082
Cost of sales		(827,422)	(696,052)	(1,558,746)	(1,352,502)
Gross profit		618,067	568,099	1,261,796	1,071,580
Other income		1,687	163	2,354	2,420
Administrative expenses		(51,440)	(40,092)	(89,934)	(84,099)
Selling and marketing expenses		(31,930)	(40,647)	(62,548)	(68,149)
Other expenses		(234,963)	(216,039)	(451,119)	(378,412)
Finance costs		(168,039)	(136,668)	(319,399)	(284,295)
Share of profit of associated companies		1,383	(4,667)	2,859	(1,564)
Share of profit of jointly controlled entities		1,260	2,382	2,215	2,382
Profit before Irredeemable Non-cumulative Convertible Preference Shares ('INCPS') dividends and taxation		136,025	132,531	346,224	259,863
INCPS dividends		(27,536)	(27,567)	(54,770)	(54,801)
Profit after INCPS dividends and before taxation		108,489	104,964	291,454	205,062
Income tax expense	B5	(59,872)	(37,705)	(129,141)	(84,619)
Profit for the period from continuing operations		48,617	67,259	162,313	120,443
Discontinued Operations					
Loss for the period from a discontinued operation	A14	(1,902)	(3,381)	(3,318)	(9,065)
Profit for the period		46,715	63,878	158,995	111,378
Attributable to:					
Equity holders of the parent		(5,608)	(7,291)	(3,807)	(14,392)
Minority interests		52,323	(71,169)	162,802	125,770
		46,715	(78,460)	158,995	111,378
		sen	sen	sen	sen
Earnings per share attributable to equity holders of the parent:					
Basic, for profit/(loss) from continuing operations	B14	(1.12)	(1.38)	(0.15)	(2.14)
Basic, for loss from discontinued operations	B14	(0.58)	(0.83)	(1.01)	(2.23)
Basic, for profit/(loss) for the period	B14	(1.70)	(2.21)	(1.16)	(4.37)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial report.

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated balance sheet as at 30 June 2006

	Note	As at 30.6.2006 RM'000	As at 31.12.2005 RM'000 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	A9	1,016,857	1,094,072
Land held for property development		39,273	39,269
Intangible assets		7,437	8,034
Goodwill on consolidation		2,671,328	2,671,332
Associated companies		285,968	283,089
Jointly controlled entities		11,798	5,583
Securities available-for-sale		1,981,659	2,161,637
Securities held-to-maturity		16,285,168	13,827,110
Deferred tax assets		253,913	247,658
		<u>22,553,401</u>	<u>20,337,784</u>
Current assets			
Real property assets		421,787	421,787
Property development costs		148,059	146,537
Inventories		43,749	90,078
Amount due from customers on contracts		48,553	16,920
Other investments		970	343
Statutory deposits		1,555,523	1,695,831
Trade receivables		182,961	246,284
Other receivables		696,031	619,666
Derivatives		108,348	47,554
Clients' and brokers' balances		257,010	247,268
Loans, advances and financing		49,934,723	48,263,707
Securities held-for-trading		3,621,219	3,369,647
Deposits and placements with banks and other financial institutions		732,207	2,620,331
Securities purchased under resale agreements		3,925,141	2,219,491
Cash and bank balances		13,443,004	11,534,794
		<u>75,119,285</u>	<u>71,540,238</u>
Assets of disposal group classified as held for sale	A14	63,021	0
		<u>75,182,306</u>	<u>71,540,238</u>
TOTAL ASSETS		<u>97,735,707</u>	<u>91,878,022</u>

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated balance sheet as at 30 June 2006

	Note	As at 30.6.2006 RM'000	As at 31.12.2005 RM'000 (restated)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		329,446	329,446
Share premium		427,513	427,513
Other reserves		105,177	103,185
Retained profits		(17,000)	763
		<u>845,136</u>	<u>860,907</u>
Minority interests		<u>3,359,549</u>	<u>3,236,643</u>
Total equity		<u>4,204,685</u>	<u>4,097,550</u>
Non-current liabilities			
Borrowings	B9 (a)	1,981,282	3,065,851
Deferred tax liabilities		29,589	25,987
		<u>2,010,871</u>	<u>3,091,838</u>
Current liabilities			
Deposits from customers		53,266,667	49,773,689
Deposits and placements of banks and other financial institutions		11,762,274	11,028,831
Obligations on securities sold under repurchase agreements		11,241,347	10,942,799
Trade and bills payables		159,828	165,424
Amount due to customers on contracts		3,788	10,775
Bills and acceptances payable		3,893,827	3,313,060
Clients' and brokers' balances		192,522	198,490
Other payables		1,817,203	1,719,068
Derivatives liabilities		117,268	106,890
Recourse obligation on loans sold to Cagamas Berhad		3,720,562	3,356,992
Current tax liabilities		82,655	30,832
Dividend payable		11,860	0
Borrowings	B9 (a)	2,405,880	1,202,700
Subordinated obligations	B9 (b)	1,514,662	1,530,252
Irredeemable Convertible Unsecured Loan Stocks ('ICULS')	B10	203,469	204,363
INCPS		1,104,469	1,104,469
		<u>91,498,281</u>	<u>84,688,634</u>
Liabilities directly associated with the assets classified as held for sale	A14	21,870	0
		<u>91,520,151</u>	<u>84,688,634</u>
Total liabilities		<u>93,531,022</u>	<u>87,780,472</u>
TOTAL EQUITY AND LIABILITIES		<u>97,735,707</u>	<u>91,878,022</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)			
		<u>2.57</u>	<u>2.61</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial report.

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

**Condensed consolidated statement of changes in equity
for the six-month period ended 30 June 2006**

	-----Attributable to Equity Holders of the Parent-----							Minority Interests	Total Equity	
	Share capital RM'000	Non-distributable				Distributable	Total RM'000	RM'000	RM'000	
		Share premium RM'000	Capital reserve RM'000	Merger deficit RM'000	Reserve fund RM'000	Available-for-sale reserve RM'000				Retained profit RM'000
At 1 January 2006										
As previously stated	329,446	427,513	85,776	(12,000)	29,868	(4,149)	(6,719)	849,735	0	849,735
Reclassification of opening minority interests									666,693	666,693
Prior year adjustments:										
- effect of adopting FRS 127						3,690	7,482	11,172	2,569,950	2,581,122
At 1 January 2006 (restated)	329,446	427,513	85,776	(12,000)	29,868	(459)	763	860,907	3,236,643	4,097,550
Transfer in respect of statutory requirements					2,116		(2,116)	0		0
Net profit/(loss) not recognised in the income statement - translation differences							20	20	(493)	(473)
Unrealised net profit/(loss) on revaluation of Securities AFS						1,209		1,209	(7,228)	(6,019)
Net transfer to income statement on disposal of investment						(1,396)		(1,396)	(2,776)	(4,172)
Deferred tax						63		63	2,747	2,810
Net income/(expenses) recognised directly in equity	329,446	427,513	85,776	(12,000)	31,984	(583)	(1,333)	860,803	3,228,893	4,089,696
(Loss)/profit for the period							(3,807)	(3,807)	162,802	158,995
Total recognised income and expense for the period	329,446	427,513	85,776	(12,000)	31,984	(583)	(5,140)	856,996	3,391,695	4,248,691
Dividend for the year ended 2005							(11,860)	(11,860)		(11,860)
Dividends paid to minority interests									(33,089)	(33,089)
Issue of shares									49	49
Issue of shares pursuant to:										
- conversion of ICULS-A									111	111
- conversion of ICULS-B									783	783
At 30 June 2006	329,446	427,513	85,776	(12,000)	31,984	(583)	(17,000)	845,136	3,359,549	4,204,685

Cahya Mata Sarawak Berhad

(Company No: 21076-T)

**Condensed consolidated statement of changes in equity
for the six-month period ended 30 June 2006**

	-----Attributable to Equity Holders of the Parent----->							Minority Interests	Total Equity	
	Share capital	Non-distributable					Distributable			Total
		Share premium	Capital reserve	Merger deficit	Reserve fund	Available-for-sale reserve	Retained profit			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2005										
As previously stated	329,446	427,513	85,776	(12,000)	16,583	(30,731)	137,556	954,143	0	954,143
Reclassification of opening minority interests									641,591	641,591
Prior year adjustments										
- effect of adopting FRS 127						29,656	0	29,656	2,348,368	2,378,024
At 1 January 2005 (restated)	329,446	427,513	85,776	(12,000)	16,583	(1,075)	137,556	983,799	2,989,959	3,973,758
Transfer in respect of statutory requirements					4,383		(4,383)	0		0
Net loss not recognised in the income statement - translation differences							(1,186)	(1,186)	(13,877)	(15,063)
Unrealised net loss on revaluation of Securities AFS						(4,250)		(4,250)	(48,414)	(52,664)
Net transfer to income statement on disposal of investment						(1,690)		(1,690)	(17,346)	(19,036)
Deferred tax						1,672		1,672	18,486	20,158
Fair value adjustment on assets acquired									511	511
Net income/(expenses) recognised directly in equity	329,446	427,513	85,776	(12,000)	20,966	(5,344)	131,988	978,345	2,929,319	3,907,664
(Loss)/profit for the period							(14,392)	(14,392)	125,770	111,378
Net income/(expenses) recognised directly in equity	329,446	427,513	85,776	(12,000)	20,966	(5,344)	117,596	963,953	3,055,089	4,019,042
Dividend for the year ended 2004							(11,860)	(11,860)		(11,860)
Dividends paid to minority interests									(46,569)	(46,569)
Changes in equity interest in a subsidiary									(7,070)	(7,070)
Issue of shares pursuant to:										
- conversion of ICULS-A									0	0
- conversion of ICULS-B									342	342
At 30 June 2005	329,446	427,513	85,776	(12,000)	20,966	(5,344)	105,736	952,093	3,001,792	3,953,885

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial report.

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

**Condensed consolidated cash flow statement
for the six-month period ended 30 June 2006**

	6 months ended 30.6.2006 RM'000	6 months ended 30.6.2005 (restated) RM'000
Net cash from/(used in) operating activities	4,422,689	(2,960,788)
Net cash (used in)/from investing activities	(2,578,400)	3,140,266
Cash flows from financing activities		
Net repayments of borrowings	103,897	(67,694)
Proceeds from conversion of RHB ICULS	0	2
Proceeds from issuance of CMS Income Securities	36,381	0
INCPS dividends paid to other shareholders by a subsidiary	(39,652)	(39,652)
Dividends paid to minority interests in subsidiaries	(33,089)	(46,569)
Proceeds from issuance of share to minority interests	49	0
Net cash from/(used in) financing activities	<u>67,586</u>	<u>(153,913)</u>
Net increase in cash and cash equivalents	1,911,875	25,565
Cash and cash equivalents at beginning of financial period	<u>11,523,987</u>	<u>12,928,752</u>
Cash and cash equivalents at end of financial period	<u><u>13,435,862</u></u>	<u><u>12,954,317</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and short term funds	13,444,532	12,959,416
Bank overdrafts	(8,670)	(5,099)
	<u><u>13,435,862</u></u>	<u><u>12,954,317</u></u>
Cash and cash equivalents of the Group excluding banking subsidiaries	41,018	54,083
Cash and cash equivalents of banking subsidiaries	<u>13,394,844</u>	<u>12,900,234</u>
	<u><u>13,435,862</u></u>	<u><u>12,954,317</u></u>

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