

CAHYA MATA SARAWAK BERHAD

(Company No: 21076-T)

(Incorporated in Malaysia)

Interim Financial Report

Condensed consolidated income statements for the nine-month period ended 30 September 2006

	Note	3 months ended		9 months ended	
		30.9.2006	30.9.2005	30.9.2006	30.9.2005
		RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
Continuing Operations					
Revenue	A8	1,630,019	1,300,707	4,450,561	3,742,566
Cost of sales		(903,383)	(684,656)	(2,462,129)	(2,056,681)
Gross profit		726,636	616,051	1,988,432	1,685,885
Other income		908	3,238	3,262	6,214
Administrative expenses		(51,646)	(45,933)	(141,580)	(130,355)
Selling and marketing expenses		(37,436)	(37,265)	(99,984)	(105,907)
Other expenses		(300,135)	(297,651)	(751,254)	(676,365)
Finance costs		(194,973)	(138,373)	(514,372)	(423,869)
Share of profit of associated companies		(58)	(88)	2,801	(1,652)
Share of profit of jointly controlled entities		1,982	0	4,197	2,382
Profit before Irredeemable Non-cumulative Convertible Preference Shares ('INCPS') dividends and taxation		145,278	99,979	491,502	356,333
INCPS dividends		(27,839)	(27,839)	(82,609)	(82,640)
Profit after INCPS dividends and before taxation		117,439	72,140	408,893	273,693
Income tax expense	B5	(66,350)	(27,977)	(195,491)	(112,468)
Profit for the period from continuing operations		51,089	44,163	213,402	161,225
Discontinued Operations					
Loss for the period from a discontinued operation	A14	(2,364)	(8,764)	(5,682)	(14,448)
Profit for the period		48,725	35,399	207,720	146,777
Attributable to:					
Equity holders of the parent		(2,989)	(5,950)	(6,796)	(20,342)
Minority interests		51,714	(41,349)	214,516	167,119
		48,725	(47,299)	207,720	146,777
		sen	sen	sen	sen
Earnings per share attributable to equity holders of the parent:					
Basic, for profit/(loss) from continuing operations	B14	(0.19)	0.35	(0.34)	(2.63)
Basic, for loss from discontinued operations	B14	(0.72)	(2.15)	(1.72)	(3.55)
Basic, for loss for the period	B14	(0.91)	(1.81)	(2.06)	(6.17)

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 September 2006

	Note	As at 30.9.2006 RM'000	As at 31.12.2005 RM'000 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	A9	1,019,142	1,094,072
Land held for property development		39,273	39,269
Intangible assets		7,081	8,034
Goodwill on consolidation		1,039,178	1,043,969
Associated companies		284,254	283,089
Jointly controlled entities		12,181	5,583
Securities available-for-sale		2,366,301	2,161,637
Securities held-to-maturity		15,956,724	13,827,110
Deferred tax assets		267,452	247,658
		<u>20,991,586</u>	<u>18,710,421</u>
Current assets			
Real property assets		421,804	421,787
Property development costs		145,003	146,537
Inventories		46,066	90,078
Amount due from customers on contracts		62,780	16,920
Other investments		4,624	343
Statutory deposits		1,690,457	1,695,831
Trade receivables		217,726	246,284
Other receivables		809,749	619,666
Derivatives		105,972	47,554
Clients' and brokers' balances		262,282	247,268
Loans, advances and financing		52,438,971	48,263,707
Securities held-for-trading		5,428,586	3,369,647
Deposits and placements with banks and other financial institutions		4,305,350	2,620,331
Securities purchased under resale agreements		8,270,725	2,219,491
Cash and bank balances		10,850,864	11,534,794
		<u>85,060,959</u>	<u>71,540,238</u>
Assets of disposal group classified as held for sale	A14	59,677	0
		<u>85,120,636</u>	<u>71,540,238</u>
TOTAL ASSETS		<u>106,112,222</u>	<u>90,250,659</u>

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated balance sheet as at 30 September 2006

	Note	As at 30.9.2006 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		109,137	103,185
Retained profits		(29,261)	(6,719)
		<u>836,835</u>	<u>853,425</u>
Minority interests		<u>1,777,387</u>	<u>1,602,326</u>
Total equity		<u>2,614,222</u>	<u>2,455,751</u>
Non-current liabilities			
Borrowings	B9 (a)	2,715,257	3,065,851
Deferred tax liabilities		33,841	25,987
		<u>2,749,098</u>	<u>3,091,838</u>
Current liabilities			
Deposits from customers		59,031,642	49,773,689
Deposits and placements of banks and other financial institutions		11,075,506	11,028,831
Obligations on securities sold under repurchase agreements		16,646,794	10,942,799
Trade and bills payables		182,757	165,424
Amount due to customers on contracts		10,877	10,775
Bills and acceptances payable		3,583,812	3,313,060
Clients' and brokers' balances		212,935	198,490
Other payables		1,809,246	1,719,068
Derivatives liabilities		160,451	121,326
Recourse obligation on loans sold to Cagamas Berhad		3,380,877	3,356,992
Current tax liabilities		117,407	30,832
Borrowings	B9 (a)	1,698,262	1,202,700
Subordinated obligations	B9 (b)	1,516,665	1,530,252
Irredeemable Convertible Unsecured Loan Stocks ('ICULS')	B10	199,237	204,363
INCPS		1,104,469	1,104,469
		<u>100,730,937</u>	<u>84,703,070</u>
Liabilities directly associated with the assets classified as held for sale	A14	17,965	0
		<u>100,748,902</u>	<u>84,703,070</u>
Total liabilities		<u>103,498,000</u>	<u>87,794,908</u>
TOTAL EQUITY AND LIABILITIES		<u>106,112,222</u>	<u>90,250,659</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)			
		<u>2.54</u>	<u>2.59</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 nine-month period ended 30 September 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 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		3,690	935,633	939,323
At 1 January 2006 (restated)	329,446	427,513	85,776	(12,000)	29,868	(459)	(6,719)	853,425	1,602,326	2,455,751
Transfer in respect of statutory requirements					4,415		(4,415)	0		0
Net profit not recognised in the income statement - translation differences							529	529	5,511	6,040
Unrealised net profit on revaluation of Securities AFS						3,778		3,778	20,201	23,979
Net transfer to income statement on disposal or impairment						(1,767)		(1,767)	(11,219)	(12,986)
Deferred tax						(474)		(474)	(1,651)	(2,125)
Net income/(expenses) recognised directly in equity	329,446	427,513	85,776	(12,000)	34,283	1,078	(10,605)	855,491	1,615,168	2,470,660
(Loss)/profit for the period							(6,796)	(6,796)	214,516	207,720
Total recognised income and expense for the period	329,446	427,513	85,776	(12,000)	34,283	1,078	(17,401)	848,695	1,829,684	2,678,380
Dividend for the year ended 2005							(11,860)	(11,860)		(11,860)
Dividends paid to minority interests									(52,789)	(52,789)
Issue of shares									49	49
Additional investment in a subsidiary									(100)	(100)
Deemed disposal arising from conversion of ICULS by minority interests									543	543
At 30 September 2006	329,446	427,513	85,776	(12,000)	34,283	1,078	(29,261)	836,835	1,777,387	2,614,223

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

**Condensed consolidated statement of changes in equity
for the nine-month period ended 30 September 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		29,656	720,697	750,353
At 1 January 2005 (restated)	329,446	427,513	85,776	(12,000)	16,583	(1,075)	137,556	983,799	1,362,288	2,346,087
Transfer in respect of statutory requirements					10,368	(10,368)		0		0
Net loss not recognised in the income statement - translation differences						(1,564)		(1,564)	(18,218)	(19,782)
Unrealised net loss on revaluation of Securities AFS						(5,266)		(5,266)	(59,731)	(64,997)
Net transfer to income statement on disposal or impairment						(657)		(657)	(4,116)	(4,773)
Deferred tax						1,641		1,641	17,661	19,302
Fair value adjustment on assets acquired									511	511
Net income/(expenses) recognised directly in equity	329,446	427,513	85,776	(12,000)	26,951	(5,358)	125,625	977,953	1,298,395	2,276,348
(Loss)/profit for the period						(20,342)		(20,342)	167,119	146,777
Net income/(expenses) recognised directly in equity	329,446	427,513	85,776	(12,000)	26,951	(5,358)	105,283	957,611	1,465,514	2,423,125
Dividend for the year ended 2004						(11,860)		(11,860)		(11,860)
Dividends paid to minority interests									(70,955)	(70,955)
Changes in equity interest in subsidiaries									(7,021)	(7,021)
Deemed disposal arising from conversion of ICULS by minority interests									950	950
At 30 September 2005	329,446	427,513	85,776	(12,000)	26,951	(5,358)	93,423	945,751	1,388,488	2,334,239

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 nine-month period ended 30 September 2006**

	9 months ended 30.9.2006 RM'000	9 months ended 30.9.2005 (restated) RM'000
Net cash from/(used in) operating activities	3,671,770	(5,212,889)
Net cash (used in)/from investing activities	(4,452,417)	2,812,832
Cash flows from financing activities		
Net repayments of borrowings	134,133	(137,961)
Proceeds from issuance of CMS Income Securities	36,381	0
INCPS dividends paid to other shareholders by a subsidiary	0	(39,657)
Dividends paid to shareholders of the Company	(11,860)	0
Dividends paid to minority interests in subsidiaries	(52,789)	(70,952)
Proceeds from issuance of share to minority interests	251	0
Net cash from/(used in) financing activities	106,116	(248,570)
Net increase in cash and cash equivalents	(674,531)	(2,648,627)
Cash and cash equivalents at beginning of financial period	11,523,987	12,928,752
Cash and cash equivalents at end of financial period	10,849,456	10,280,125
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and short term funds	10,850,944	10,291,260
Bank overdrafts	(1,488)	(11,135)
	10,849,456	10,280,125
Cash and cash equivalents of the Group excluding banking subsidiaries	56,577	55,528
Cash and cash equivalents of banking subsidiaries	10,792,879	10,224,597
	10,849,456	10,280,125

The condensed consolidated cash flow statement 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.