

# CAHYA MATA SARAWAK BERHAD

(Company No: 21076-T)

(Incorporated in Malaysia)

## Interim Financial Report

### Condensed consolidated income statements for the year ended 31 December 2006

	Note	3 months ended		12 months ended	
		31.12.2006 RM'000	31.12.2005 RM'000 (restated)	31.12.2006 RM'000	31.12.2005 RM'000 (restated)
<b>Continuing Operations</b>					
Revenue	A8	1,718,254	1,454,988	6,168,815	5,197,554
Cost of sales		(1,137,809)	(896,487)	(3,599,938)	(2,953,168)
<b>Gross profit</b>		580,445	558,501	2,568,877	2,244,386
Other income		2,659	2,748	5,921	8,962
Administrative expenses		(65,887)	(59,586)	(207,467)	(189,941)
Selling and marketing expenses		(65,642)	(69,175)	(165,626)	(175,082)
Other expenses		(352,219)	(181,199)	(1,103,473)	(857,564)
Finance costs		38,516	(31,461)	(475,856)	(455,330)
Share of profit/(loss) of associated companies		3,529	(8,529)	6,330	(10,181)
Share of profit of jointly controlled entities		1,107	2,026	5,304	4,408
<b>Profit before Irredeemable Non-cumulative Convertible Preference Shares ('INCPS') dividends and taxation</b>		142,508	213,325	634,010	569,658
INCPS dividends		(27,838)	(27,807)	(110,447)	(110,447)
<b>Profit after INCPS dividends and before taxation</b>		114,670	185,518	523,563	459,211
Income tax expense	B5	(67,704)	(45,304)	(263,195)	(157,772)
<b>Profit for the period/year from continuing operations</b>		46,966	140,214	260,368	301,439
<b>Discontinued Operation</b>					
Loss for the period/year from a discontinued operation	A14	1,161	(104,281)	(4,521)	(118,729)
<b>Profit for the period/year</b>		48,127	35,933	255,847	182,710
Attributable to:					
Equity holders of the parent		14,095	(97,645)	7,299	(117,987)
Minority interests		34,032	133,578	248,548	300,697
		48,127	35,933	255,847	182,710
		sen	sen	sen	sen
<b>Earnings per share attributable to equity holders of the parent:</b>					
Basic, for profit/(loss) from continuing operations	B14	3.93	(2.62)	3.59	(5.25)
Basic, for loss from discontinued operations	B14	0.35	(27.02)	(1.37)	(30.56)
Basic, for profit/(loss) for the period	B14	4.28	(29.64)	2.22	(35.81)

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 31 December 2006**

	Note	As at 31.12.2006 RM'000	As at 31.12.2005 RM'000 (restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A9	1,012,967	1,093,751
Investment properties		2,010	0
Land held for property development		39,862	39,269
Intangible assets		10,307	8,354
Goodwill on consolidation		1,037,136	1,051,027
Associated companies		291,783	283,089
Jointly controlled entities		8,868	5,583
Securities available-for-sale		6,269,840	2,161,637
Securities held-to-maturity		13,022,152	13,827,110
Deferred tax assets		254,801	247,658
		<u>21,949,726</u>	<u>18,717,478</u>
<b>Current assets</b>			
Real property assets		392,000	421,787
Property development costs		145,825	146,537
Inventories		41,232	90,077
Amount due from customers on contracts		12,585	16,920
Other investments		763	343
Statutory deposits		1,905,043	1,695,831
Trade receivables		204,273	246,284
Other receivables		802,578	613,210
Derivatives		168,819	47,554
Clients' and brokers' balances		177,027	162,220
Loans, advances and financing		53,392,886	48,348,756
Securities held-for-trading		5,161,442	3,369,647
Deposits and placements with banks and other financial institutions		5,596,849	2,620,331
Securities purchased under resale agreements		2,691,541	2,219,491
Cash and bank balances		10,751,340	11,534,794
		<u>81,444,203</u>	<u>71,533,782</u>
Assets of disposal group classified as held for sale	A14	59,276	0
		<u>81,503,479</u>	<u>71,533,782</u>
<b>TOTAL ASSETS</b>		<b><u>103,453,205</u></b>	<b><u>90,251,260</u></b>

**Cahaya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated balance sheet as at 31 December 2006**

	Note	As at 31.12.2006 RM'000	As at 31.12.2005 RM'000 (restated)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		329,446	329,446
Share premium		427,513	427,513
Other reserves		120,961	100,743
Accumulated losses		(26,008)	(4,251)
		<u>851,912</u>	<u>853,451</u>
<b>Minority interests</b>		<u>1,810,133</u>	<u>1,599,053</u>
<b>Total equity</b>		<u>2,662,045</u>	<u>2,452,504</u>
<b>Non-current liabilities</b>			
Borrowings	<b>B9 (a)</b>	2,671,246	3,059,425
Deferred tax liabilities		39,639	25,987
		<u>2,710,885</u>	<u>3,085,412</u>
<b>Current liabilities</b>			
Deposits from customers		57,377,649	49,773,689
Deposits and placements of banks and other financial institutions		11,577,118	11,028,831
Obligations on securities sold under repurchase agreements		14,975,669	10,942,799
Trade and bills payables		158,839	165,424
Amount due to customers on contracts		10,104	10,775
Bills and acceptances payable		3,778,758	3,313,060
Clients' and brokers' balances		251,372	198,490
Other payables		1,947,166	1,729,372
Derivatives liabilities		310,736	121,326
Recourse obligation on loans sold to Cagamas Berhad		2,879,284	3,356,992
Current tax liabilities		100,218	30,832
Borrowings	<b>B9 (a)</b>	1,903,472	1,202,670
Subordinated obligations	<b>B9 (b)</b>	1,493,158	1,530,252
Irredeemable Convertible Unsecured Loan Stocks ('ICULS')	<b>B10</b>	197,844	204,363
INCPS		1,104,469	1,104,469
		<u>98,065,856</u>	<u>84,713,344</u>
Liabilities directly associated with the assets classified as held for sale	<b>A14</b>	14,419	0
		<u>98,080,275</u>	<u>84,713,344</u>
<b>Total liabilities</b>		<u>100,791,160</u>	<u>87,798,756</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>103,453,205</u>	<u>90,251,260</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>			
		<u>2.59</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 year ended 31 December 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 funds	Available-for-sale reserve	Translation reserves	Other reserves	Accumulated losses			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2006</b>												
As previously stated	329,446	427,513	85,776	(12,000)	29,868	(4,149)	0	0	(6,719)	849,735	0	849,735
Reclassification of opening minority interests											666,693	666,693
Prior year adjustments:												
- effect of adopting FRS 127						3,691	(2,443)		2,468	3,716	932,360	936,076
<b>At 1 January 2006 (restated)</b>	329,446	427,513	85,776	(12,000)	29,868	(458)	(2,443)	0	(4,251)	853,451	1,599,053	2,452,504
Prior year adjustments:												
- effect of adopting FRS 3			(53)						53	0	0	0
	329,446	427,513	85,723	(12,000)	29,868	(458)	(2,443)	0	(4,198)	853,451	1,599,053	2,452,504
Conversion of ICULS by minority interests					(1,091)	(27)	5	(1,416)	3,118	589	(1,584)	(995)
Currency translation differences							(1,167)		31	(1,136)	(14,379)	(15,515)
Exercise of Call Warrants 2003/2007					(271)	(6)	1		123	(153)	3,994	3,841
Unrealised net loss on revaluation of Securities AFS						6,771				6,771	47,470	54,241
Net transfer to income statement on disposal or impairment							(1,676)			(1,676)	(9,816)	(11,492)
Increase in investment in an associate											(10)	(10)
Transfer in respect of liquidation											(257)	(257)
Deferred tax							(1,373)			(1,373)	(9,904)	(11,277)
Transfer upon disposal of land			(217)						217	0	0	0
Net income/(expenses) recognised directly in equity	329,446	427,513	85,506	(12,000)	28,506	3,231	(3,604)	(1,416)	(709)	856,473	1,614,567	2,471,040
Profit for the year									7,299	7,299	248,548	255,847
Total recognised income and expense for the year	329,446	427,513	85,506	(12,000)	28,506	3,231	(3,604)	(1,416)	6,590	863,772	1,863,115	2,726,887
Transfer in respect of statutory reserve					20,738				(20,738)	0		0
Dividend for the year ended 2005									(11,860)	(11,860)		(11,860)
Dividends paid to minority interests										0	(52,931)	(52,931)
Additional investment in a subsidiary										0	(100)	(100)
Issue of shares										0	49	49
<b>At 31 December 2006</b>	329,446	427,513	85,506	(12,000)	49,244	3,231	(3,604)	(1,416)	(26,008)	851,912	1,810,133	2,662,045

**Cahaya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of changes in equity  
for the year ended 31 December 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 funds	Available-for-sale reserve	Translation reserves	Other reserves	Accumulated losses			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2005</b>												
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										676,746	676,746	
Prior year adjustments												
- effect of adopting FRS 127						29,655	(1,300)	1,325	29,680	683,967	713,647	
<b>At 1 January 2005 (restated)</b>	329,446	427,513	85,776	(12,000)	16,583	(1,076)	(1,300)	0	138,881	1,360,713	2,344,536	
Conversion of ICULS by minority interests									0	0	0	
Currency translation differences							(1,143)		(1,143)	(13,757)	(14,900)	
Unrealised net gain on revaluation of Securities AFS						(2,240)			(2,240)	(25,235)	(27,475)	
Net transfer to income statement on disposal or impairment								3,206	3,206	44,462	47,668	
Transfer in respect of liquidation of associate										5,313	5,313	
Changes in equities interest in subsidiaries										3,566	3,566	
Deferred tax							(348)		(348)	(6,311)	(6,659)	
Fair value adjustment on assets acquired										511	511	
Net income/(expenses) recognised directly in equity	329,446	427,513	85,776	(12,000)	16,583	(458)	(2,443)	0	138,881	1,369,262	2,352,560	
(Loss)/profit for the year									(117,987)	(117,987)	182,710	
Net income/(expenses) recognised directly in equity	329,446	427,513	85,776	(12,000)	16,583	(458)	(2,443)	0	20,894	1,669,959	2,535,270	
Transfer in respect of statutory requirements					13,285				(13,285)	0	0	
Dividend for the year ended 2004									(11,860)	(11,860)	(11,860)	
Dividends paid to minority interests										(70,955)	(70,955)	
Issue of shares										49	49	
<b>At 31 December 2005</b>	329,446	427,513	85,776	(12,000)	29,868	(458)	(2,443)	0	(4,251)	1,599,053	2,452,504	

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 year ended 31 December 2006**

	<b>12 months ended 31.12.2006 RM'000</b>	<b>12 months ended 31.12.2005 (restated) RM'000</b>
<b>Net cash from/(used in) operating activities</b>	4,235,637	(3,292,051)
<b>Net cash (used in)/from investing activities</b>	(5,169,600)	2,115,597
<b>Cash flows from financing activities</b>		
Net proceeds/(repayments) of borrowings	202,351	(420,284)
Net proceeds from issuance of bonds	340,900	592,275
Redemption of bonds	(375,000)	(325,000)
Proceeds from issuance of CMS Income Securities	131,330	168,986
INCPS dividends paid to other shareholders by a subsidiary	(79,522)	(79,522)
Dividends paid to shareholders of the Company	(11,860)	(11,860)
Dividends paid to minority interests in subsidiaries	(52,931)	(70,955)
Proceeds from exercise of Call Warrants	5,920	0
Proceeds from issuance of share to minority interests	49	49
<b>Net cash from/(used in) financing activities</b>	161,237	(146,311)
<b>Net increase in cash and cash equivalents</b>	(772,726)	(1,322,765)
<b>Cash and cash equivalents at beginning of financial year</b>	11,523,987	12,846,752
<b>Cash and cash equivalents at end of financial year</b>	10,751,261	11,523,987
 Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and short term funds	10,751,420	11,534,794
Bank overdrafts	(159)	(10,807)
	10,751,261	11,523,987
 Cash and cash equivalents of the Group excluding banking subsidiaries	56,807	123,792
Cash and cash equivalents of banking subsidiaries	10,694,454	11,400,195
	10,751,261	11,523,987

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