

CAHYA MATA SARAWAK BERHAD

(Company No: 21076-T)

(Incorporated in Malaysia)

Interim Financial Report

Condensed consolidated income statements for the three-month period ended 31 March 2008

	Note	3 months ended		3 months ended	
		31.3.2008 RM'000	31.3.2007 RM'000	31.3.2008 RM'000	31.3.2007 RM'000
Continuing Operations					
Revenue	A7	184,678	191,527	184,678	191,527
Cost of sales		-131,282	-155,927	-131,282	-155,927
Gross profit		53,396	35,600	53,396	35,600
Other income		2,436	1,044	2,436	1,044
Administrative expenses		-14,310	-12,928	-14,310	-12,928
Selling and marketing expenses		-1,672	-1,738	-1,672	-1,738
Other expenses		-3,671	-4,824	-3,671	-4,824
Operating profit		36,179	17,154	36,179	17,154
Finance costs		-11,843	-11,023	-11,843	-11,023
Share of (loss)/profit of associated companies		-1,072	9,242	-1,072	9,242
Share of profit of jointly controlled entities		832	871	832	871
Profit before taxation		24,096	16,244	24,096	16,244
Income tax expense	B5	-7,811	-7,849	-7,811	-7,849
Profit for the period from continuing operations		16,285	8,395	16,285	8,395
Discontinued Operations					
(Loss) for the period from discontinued operations	A14	-160	-124,009	-160	-124,009
Profit/(loss) for the period		16,125	-115,614	16,125	-115,614
Attributable to:					
Equity holders of the parent		8,563	5,174	8,563	5,174
Minority interests		7,562	-120,788	7,562	-120,788
		16,125	-115,614	16,125	-115,614
		sen	sen	sen	sen
Earnings per share attributable to equity holders of the parent:					
Basic, for profit from continuing operations	B13	2.65	1.99	2.65	1.99
Basic, for loss from discontinued operations	B13	-0.05	-0.42	-0.05	-0.42
Basic, for profit for the period	B13	2.60	1.57	2.60	1.57

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 March 2008

	Note	As at 31.3.2008 RM'000	As at 31.12.2007 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A8	346,658	351,516
Prepaid land lease payments		40,155	40,391
Investment properties		6,299	6,328
Land held for property development		40,145	40,145
Intangible assets		9,996	9,923
Goodwill on consolidation		61,709	61,709
Associated companies		250,964	250,036
Jointly controlled entities		9,356	8,640
Deferred tax assets		663	663
		<u>765,945</u>	<u>769,351</u>
Current assets			
Property development costs		122,712	123,303
Inventories		75,543	73,336
Amount due from customers on contracts		21,181	19,633
Other investments	A13	201,015	5,432
Trade receivables		183,462	220,291
Other receivables		40,446	44,040
Cash and bank balances		1,158,146	1,515,294
		<u>1,802,505</u>	<u>2,001,329</u>
Assets of disposal group classified as held for sale	A14	20,097	20,097
		<u>1,822,602</u>	<u>2,021,426</u>
TOTAL ASSETS		<u>2,588,547</u>	<u>2,790,777</u>
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		73,505	73,505
Retained earnings		416,347	407,784
		<u>1,246,811</u>	<u>1,238,248</u>
Minority interests		541,805	538,644
Total equity		<u>1,788,616</u>	<u>1,776,892</u>
Non-current liabilities			
Borrowings	B9	325,778	326,996
Deferred tax liabilities		22,249	22,158
		<u>348,027</u>	<u>349,154</u>
Current liabilities			
Trade and bills payables		120,915	171,871
Amount due to customers on contracts		32,010	48,317
Other payables		76,181	82,253
Current tax liabilities		8,572	10,983
Borrowings	B9	214,226	351,307
		<u>451,904</u>	<u>664,731</u>
Total liabilities		<u>799,931</u>	<u>1,013,885</u>
TOTAL EQUITY AND LIABILITIES		<u>2,588,547</u>	<u>2,790,777</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		<u>3.78</u>	<u>3.76</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 period ended 31 March 2008

	Attributable to Equity Holders of the Parent							Minority Interests	Total Equity
	Non-distributable			Distributable		Total			
	Share premium	Capital reserve	Merger deficit	Translation reserves	Retained earnings				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2008	427,513	85,506	-12,000	-1	407,784	1,238,248	538,644	1,776,892	
Profit for the period					8,563	8,563	7,562	16,125	
Total recognised income and expense for the period	0	0	0	0	8,563	8,563	-4,401	-4,401	
Additional investment in a subsidiary	427,513	85,506	-12,000	-1	416,347	1,246,811	541,805	1,788,616	
At 31 March 2008									

Cahaya Mata Sarawak Berhad

(Company No: 21076-T)

Condensed consolidated statement of changes in equity for the period ended 31 March 2008

	-----Attributable to Equity Holders of the Parent-----										Minority Interests	Total Equity	
	Non-distributable												Total
	Share capital	Share premium	Capital reserve	Merger deficit	Reserve funds	Available-for-sale reserve	Translation 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	RM'000	
At 1 January 2007	329,446	427,513	85,506	-12,000	49,244	3,231	-3,604	-27,858	851,478	1,810,233	2,661,711		
Conversion of ICULS by minority interests					-4,085	-96	44	13,443	9,306	-10,634	-1,328		
Exercise of call warrants 2003/2007					-655	-13	3		-665	8,389	7,724		
Currency translation differences							-650		-650	-7,744	-8,394		
Unrealised net gain on revaluation of Securities AFS									-461	-2,982	-3,443		
Net transfer to income statement on disposal or impairment					165				165	2,638	2,803		
Fair value adjustment on assets acquired in previous financial year											5,467		
Deferred tax							184		184	1,181	1,365		
Net income (expenses) recognised directly in equity	0	0	0	0	-4,740	-221	-603	13,443	7,879	-3,685	4,194		
(Loss)/profit for the year								5,174	5,174	-120,788	-115,614		
Total recognised income and expense for the year	0	0	0	0	-4,740	-221	-603	18,617	13,053	-124,473	-111,420		
Realisation of reserve upon expiry of warrants 2001/2007								320	320	-321	-1		
At 31 March 2007	329,446	427,513	85,506	-12,000	44,504	3,010	-4,207	-8,921	864,851	1,685,439	2,550,290		

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 period ended 31 March 2008

	3 months ended 31.3.2008 RM'000	3 months ended 31.3.2007 RM'000
Net cash generated from operating activities	-210,671	4,020,866
Net cash used in investing activities	-8,164	-835,249
Cash flows from financing activities		
Net repayments of borrowings	-138,375	-49,749
Other cash generated from financing activities	-13	125,319
Net cash (used in)/ generated from financing activities	<u>-138,388</u>	<u>75,570</u>
Net (decrease)/increase in cash and cash equivalents	-357,223	3,261,187
Cash and cash equivalents at beginning of financial period	<u>1,515,268</u>	<u>10,708,051</u>
Cash and cash equivalents at end of financial period	<u><u>1,158,045</u></u>	<u><u>13,969,238</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and short term funds	1,158,146	13,972,488
Bank overdrafts	-101	-3,250
	<u><u>1,158,045</u></u>	<u><u>13,969,238</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

Part A – Explanatory notes pursuant to FRS 134

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2007. These explanatory notes attached to the interim financial report 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 financial year ended 31 December 2007.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007.

A2. 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 Construction Material Divisions, during the first quarter of the year.

A3. 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 quarter ended 31 March 2008.

A4. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

A5. Debt and equity securities

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities for the quarter under review.

A6. Dividends paid

There was no dividend paid during the quarter ended 31 March 2008.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

A7. Segmental information

	3 months ended	
	31.3.2008	31.3.2007
	RM'000	RM'000
Segment Revenue		
Revenue from continuing operations:		
Manufacturing	76,450	69,060
Construction & road maintenance	57,069	83,787
Construction materials	24,185	16,743
Stockbroking and other financial services	4,187	4,211
Property development	2,369	5,412
Others	33,773	24,010
Total revenue including inter-segment sales	198,033	203,223
Elimination of inter-segment sales	(13,355)	(11,696)
Total revenue from continuing operations	184,678	191,527
Revenue from discontinued operations	0	1,234,530
Total	<u>184,678</u>	<u>1,426,057</u>

Segment Results

Results from continuing operations:		
Manufacturing	18,713	15,669
Construction & road maintenance	7,030	6,298
Construction materials	2,394	1,029
Stockbroking and other financial services	311	1,470
Property development	(782)	264
Others	8,961	(3,475)
Total results from continuing operations	36,627	21,255
Results from discontinued operations	(160)	(123,753)
Total	<u>36,467</u>	<u>(102,498)</u>

A8. Carrying amount of revalued assets

The valuations of land and buildings have been brought forward, without amendment from the financial statements for the year ended 31 December 2007.

A9. Subsequent events

There are no material events subsequent to the balance sheet date that have not been reflected in the financial statements.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

A10. Changes in the composition of the Group

There has been no change in the composition of the Group for the quarter ended 31 March 2008 except for the following:

- (a) The completion of the corporate transaction highlighted in Note B8.(a)(iii).
- (b) The acquisition of 3,461,538 ordinary shares of RM1.00 each representing 1.66% of the equity interest in CMS capital Sdn Bhd, a subsidiary of the Company on 16 January 2008 for RM2,906,040. Pursuant thereto, the Company's interest in CMS Capital Sdn Bhd has increased from 93.53% to 95.20%

A11. Changes in contingent liabilities and contingent assets

There are no changes in the contingent liabilities or contingent assets since the last annual balance sheet date.

A12. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 March 2008 is as follows:

	RM'000
Capital expenditure for property, plant and equipment:	
Approved and contracted for	6,999
Other capital commitment:	
Approved and contracted for	<u>8,000</u>
	<u>14,999</u>

A13. Other investments

Majority of this amount represents funds managed by CMS Asset Management Sdn. Bhd., a licenced fund manager.

A14. Discontinued operations

(a) CMS Steel Berhad ("CMS Steel")

On 5 January 2006, the Board of Directors of the Company approved and announced the proposed closure of the operation of CMS Steel due to the continuous losses incurred and given that there was no indication that the steel industry would turn around in the near future.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

A14. Discontinued operations (cont'd)

(a) CMS Steel Berhad (“CMS Steel”) (cont'd)

CMS Steel ceased operation on 31 March 2006. The disposal of the steel mill and all ancillary facilities was completed in the fourth quarter of 2007. The sale of the land and buildings was completed on 17 April 2008. Please refer to B8.(a)(ii). As at 31 March 2008, certain assets of CMS Steel have been presented on the consolidated balance sheet as assets held for sale, and results from CMS Steel are presented separately on the income statement as discontinued operations.

The revenue, results and cash flows of CMS Steel were as follows:

	3 months ended	
	31.3.2008	31.3.2007
	RM'000	RM'000
Revenue	0	0
Loss before tax	(160)	(493)
Income tax expense	0	0
Loss for the period	(160)	(493)

The major classes of assets and liabilities of the subsidiary classified as held for sale as at 31 March 2008 are as follows:

Assets:	RM'000
Property, plant and equipment	13,687
Prepaid lease payments	6,410
Assets of disposal group classified as held for sale	20,097

(b) Rashid Hussain Berhad (“RHB”)

On 22 May 2007, UBG Berhad (“UBG”), a subsidiary of the Company, completed the disposal of its entire investment in RHB and consequently ceased to have significant business/operations.

Accordingly, UBG is an Affected Listed Issuer pursuant to PN17 and Paragraph 8.14C of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and on 31 January 2008 has announced its proposed rationalization scheme (refer to Note B8.(a)(v)).

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

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

B1. Review of performance

The Group's continuing operations reported a pre-tax profit of RM24.1 million for the first three months ended 31 March 2008, compared to a pre-tax profit of RM16.2 million for the previous corresponding period ended 31 March 2007. The improved profit for the current period under review was mainly contributed by higher interest income earned by UBG Bhd on increased cash reserves and zero gearing in other division and lower net interest expenses recorded by the Company.

Manufacturing Division's profit was higher than the preceding quarter. This Division continued to be the highest contributor for the Group.

Construction Material Division reported higher profit than previous corresponding period and the Construction and Road Maintenance Division achieved comparable profits to the previous corresponding period.

The softening property market had continued to negatively affect the Properties Division resulting in higher losses reported.

The weak stock market had adversely affected the associated company in the stock broking industry.

B2. Comment on material change in profit before taxation

The Group's pre-tax profit from continuing operations for the current quarter under review of RM24.1 million was 41% lower than the pre-tax profit of RM40.6 million in the preceding quarter.

In general, the first quarter of the year tends to be slower than other quarters due to the wetter weather and a large number of public holidays.

B3. Prospects for the year ending 31 December 2008

The Board expects that whilst the operating environment faced by the Group will remain challenging, the prospects for the year remain satisfactory and, coupled with other measures Management are taking, the Group is positioning itself for long term revenue and profitability growth.

B4. Profit forecast or profit guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B5. Income tax expense

	3 months ended	
	31.3.2008	31.3.2007
	RM'000	RM'000
Income tax based on results for the period for continuing operations		
- Malaysian income tax	7,801	7,742
In respect of prior years	(80)	0
Deferred tax	90	107
	<u>7,811</u>	<u>7,849</u>
Income tax based on results for the period for discontinuing operations		
- Malaysian income tax	0	87,589
- overseas	0	64
In respect of prior years	0	496
Deferred tax	0	(7,484)
Tax on INCPS dividends	0	(7,353)
	<u>0</u>	<u>73,312</u>
Total income tax expense	<u><u>7,811</u></u>	<u><u>81,161</u></u>

The effective tax rate for the current quarter and prior year's corresponding quarter were higher than the statutory tax rate principally mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries and certain expenses which are not deductible for tax purposes.

B6. Sale of unquoted investments and properties

Other than in the ordinary course of business, there were no material sales of unquoted investments and properties for the financial period under review.

B7. Quoted securities

a) Details of purchases and disposals of quoted securities are as follows:

	3 months ended	
	31.3.2008	31.3.2007
	RM'000	RM'000
Other investments at fair value through Profit or loss :		
Total purchases	<u>0</u>	<u>0</u>
Total disposals - sale proceeds	<u>0</u>	<u>544</u>
Total profit on disposals	<u>0</u>	<u>359</u>

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B7. Quoted securities (cont'd)

b) Details of investments in quoted securities are as follows:

	3 months ended	
	31.3.2008	31.3.2008
	RM'000	RM'000
Other investments at fair value through profit or loss:		
At cost	0	0
At book value	0	0
At market value	0	0

B8. Corporate proposals

(a) Status of corporate proposals

(i) Heads of Agreement

On 7 August 2007, the Company announced that Similajau Aluminium Industries Sdn Bhd, a wholly-owned subsidiary of Similajau Industries Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, entered into a Heads of Agreement ("HOA") with Rio Tinto Aluminium (Malaysia) Sdn Bhd ("RTA"), a wholly-owned subsidiary of Rio Tinto Aluminium Limited, a company registered in Australia.

The parties intend to participate together in the proposed design, engineering, construction, commissioning and operation in Sarawak of a world-class aluminium smelter, including any expansions thereof and such other things as may be agreed as necessary or expedient for this purpose ("Project"). Similajau Aluminium Industries Sdn Bhd will have a participating interest in the Project of 40% whilst the balance participating interest of 60% will be held by RTA.

The HOA records the agreement of the parties on the key terms of their participation and the basis upon which they will work together on the proposed Project. Further details relating to the parties' participation in the Project will be set out in a more comprehensive agreement(s) to be entered into in due course, for which further announcements will be made at the relevant time.

On 15 November 2007, the Company announced that, as provided under the HOA, the Pre-feasibility Study comprising the Engineering Study and Port Study are progressing well with the final reports of both studies expected to be issued in coming months.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B8. Corporate proposals (cont'd)

(a) Status of corporate proposals (cont'd)

(i) Heads of Agreement (cont'd)

On 7 May 2008, the Company announced that the manufacturing licence for the smelter project has been issued by the Malaysian Industrial Development Authority on 26 February 2008. However, the final report on the Pre-feasibility Study is still being finalised. The major outstanding component is the Power Purchase Agreement the negotiation of which has commenced. Work on the Detailed Environmental Impact Assessment is progressing on schedule.

(ii) Proposed Disposal of Land to KKB Engineering Berhad ('KKB')

On 7 November 2007, the Company announced that CMS Steel Berhad ("CMS Steel"), an 80% owned subsidiary of the Company entered into a Conditional Sale and Purchase Agreement ('CSPA') with KKB for the disposal by CMS Steel to KKB of a piece of provisional leasehold land, together with buildings erected thereon for a disposal consideration of RM32,000,000 to be satisfied by KKB via the issuance of 16,000,000 new KKB shares at an issued price of RM2.00 per KKB share ('Consideration Shares') to the Company, subject to the terms and conditions under the CSPA.

In connection with the proposed disposal, CMS Steel had entered into a separate deed of settlement with the Company whereby the Company agreed to accept the allotment and issuance of the Consideration Shares as part settlement of the outstanding debt owed by CMS Steel to the Company.

The proposed disposal has been completed on 17 April 2008.

(iii) Proposed acquisition of 22,000,000 ordinary shares in CMS Steel

On 22 November 2007, the Company entered into a Share Sale Agreement ("SSA") with Amsteel Corporation Berhad ("Amsteel") for the proposed acquisition of 22,000,000 ordinary shares of RM1.00 each, representing the remaining 20% equity interest of CMS Steel, from Amsteel for a total consideration of RM1.

The proposed acquisition was completed on 29 February 2008. Pursuant hereto, the Company's equity interest in CMS Steel has increased from 80% to 100%.

(iv) Proposed disposal of CMS Roads Sdn Bhd ("CMS Roads") and CMS Pavement Tech Sdn Bhd (CMS Pavement")

On 1 February 2008, the Company announced that PPES Works (Sarawak) Sdn Bhd ("PPES"), a 51.0% owned subsidiary, has entered into the following agreements with UBG, in relation to the proposed disposals of 81.0% equity interest in CMS Roads and 100.0% equity interest in CMS Pavement (Hereinafter, the Proposed CMS Roads Disposal and the Proposed CMS Pavement Disposal are collectively referred to as the "Proposed Disposals"):

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B8. Corporate proposals (cont'd)

(a) Status of corporate proposals (cont'd)

(iv) Proposed disposal of CMS Roads Sdn Bhd (“CMS Roads”) and CMS Pavement Tech Sdn Bhd (CMS Pavement”)(cont'd)

- a) A conditional share sale agreement together with Sarawak Economic Development Board (“SEDC”) for the proposed disposal of PPES’ and SEDC’s entire respective equity interest in CMS Roads (“CMS Roads SSA”); and
- b) A conditional share sale agreement for the proposed disposal of PPES’ entire equity interest in CMS Pavement (“CMS Pavement SSA”).

The Proposed Disposals are in conjunction with UBG’s efforts to regularise its status as an Affected Lister Issuer pursuant to Practice Note 17/2005 (“PN 17”) of the Listing Requirements of Bursa Securities which was duly announced on 22 May 2007. The Proposed Disposals form part of UBG’s proposed regularisation scheme that also includes the proposed acquisitions of equity interests in Putrajaya Perdana Berhad (“PPB”) and Loh & Loh Coporation Berhad (“LLCB”) for cash from Swan Symphony Sdn Bhd (“SSSB”) and Binary Bestari Sdn Bhd (“BBSB”), and a proposed restricted issue of new shares of UBG to Majestic Masterpiece Sdn Bhd (“MMSB”) (“Proposed Restricted Issue”).

In conjunction with the abovementioned proposed restricted issue by UBG, the Company has entered into a shareholders’ agreement with MMSB (“Shareholders’ Agreement”).

The proposed disposal of CMS Roads entails the disposal of 810,000 ordinary shares of RM1.00 each representing 81.0% equity interest of CMS Roads by PPES to UBG at a total purchase consideration of RM99.63 million, which will be satisfied by the issuance of 39,852,000 new ordinary shares of RM0.25 each in UBG (“UBG Share(s)”) to PPES at an issue price of RM2.50 per UBG Share.

The salient terms of the CMS Roads SSA are as follows:

- (1) subject to the fulfillment of the conditions precedent, PPES, as one of the legal and beneficial owner of the CMS Roads shares hereby agree to sell to UBG the CMS Roads shares free from all liens, charges and encumbrances and will all rights attaching thereto on the date falling ten (10) days from the day the last of the conditions precedent being fulfilled (“Completion Date for the CMS Roads SSA”);
- (2) the purchase price payable by UBG shall be satisfied by the issuance of 39,852,000 new UBG Shares at the price of RM2.50 per UBG Share to PPES;
- (3) the purchase price in the form of shares shall be issued to PPES on the Completion Date for the CMS Roads SSA; and

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B8. Corporate proposals (cont'd)

(a) Status of corporate proposals (cont'd)

(iv) Proposed disposal of CMS Roads Sdn Bhd (“CMS Roads”) and CMS Pavement Tech Sdn Bhd (CMS Pavement”) (cont'd)

- (4) the CMS Roads SSA shall be conditional upon fulfillment of the following conditions within four (4) months from the date of the CMS Roads SSA:
- (a) approval from the SC being obtained for the Proposed CMS Roads Disposal and the issuance of the consideration shares;
 - (b) approval from the Equity Compliance Unit (“ECU”) of the SC being obtained for the Proposed CMS Roads Disposal;
 - (c) all consents and regulatory approvals required under any and all applicable laws being obtained;
 - (d) approval in-principle for the listing of the consideration shares being obtained from Bursa Securities;
 - (e) completion of such due diligence as UBG may opt to undertake in respect of CMS Roads and such due diligence being satisfactory to UBG;
 - (f) approval of the relevant shareholders to be obtained; and

The proposed disposal of CMS Pavement entails the disposal of 5,000,000 ordinary shares of RM1.00 each representing 100.0% equity interest of CMS Pavement by PPES to UBG at a total purchase consideration of RM12.0 million, which will be satisfied by the issuance of 4,800,000 new UBG Shares at an issue price of RM2.50 per UBG Share.

The salient terms of the CMS Pavement SSA are as follows:

- (1) subject to the fulfillment of the conditions precedent, PPES as legal and beneficial owner of the CMS Pavement shares hereby agree to sell to UBG the CMS Pavement shares free from all liens, charges and encumbrances and will all rights attaching thereto on the date falling ten (10) days from the day the last of the conditions precedent being fulfilled (“Completion Date for the CMS Pavement SSA”);
- (2) the purchase price payable by UBG shall be satisfied entirely by the issuance of 4,800,000 new UBG Shares at the price of RM2.50 per UBG Share to PPES;
- (3) the purchase price in the form of shares shall be issued to PPES on the Completion Date for the CMS Pavement SSA; and

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B8. Corporate proposals (cont'd)

(a) Status of corporate proposals (cont'd)

(iv) Proposed disposal of CMS Roads Sdn Bhd (“CMS Roads”) and CMS Pavement Tech Sdn Bhd (CMS Pavement”) (cont'd)

- (4) the CMS Pavement SSA shall be conditional upon fulfillment of the following conditions within four (4) months from the date of the CMS Pavement SSA:
- (a) approval from the SC being obtained for the Proposed CMS Pavement Disposal and the issuance of the consideration shares;
 - (b) approval from the ECU of the SC being obtained for the Proposed CMS Pavement Disposal;
 - (c) all consents and regulatory approvals required under any and all applicable laws being obtained;
 - (d) approval in-principle for the listing of the consideration shares being obtained from Bursa Securities;
 - (e) completion of such due diligence as UBG may opt to undertake in respect of CMS Pavement and such due diligence being satisfactory to UBG;
 - (f) approval of the shareholders of PPES and UBG to be obtained; and

The salient terms of the Shareholders Agreement are as follows:

- (1) The Company acknowledges that in the event that a mandatory general offer in respect of the UBG shares is triggered as a result of the proposed injection by MMSB of PPB's and LLCB's shares into UBG, it will not accept any offer which may be required to be made by MMSB for the Company's shares in UBG;
- (2) The company and MMSB accordingly agree to conduct themselves in such manner as to ensure that they do not do any act or thing or enter into any agreement, arrangement or understanding or co-operate to act jointly or severally for the purpose of exercising control over UBG;
- (3) To the extent that MMSB's shareholding is greater than 35% of the total share capital of the Company, MMSB shall, following the closing of the offer period for the mandatory general offer of the Company that is triggered as a result of the Proposed Restricted Issue and for a period of twelve (12) months after the notification date of the Shareholders' Agreement becoming effective (“Commencement Date”), to reduce its shareholding in the Company to 35% by disposing the portion of its Shares exceeding 35% of the issued share capital of the Company;

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B8. Corporate proposals (cont'd)

(a) Status of corporate proposals (cont'd)

(iv) Proposed disposal of CMS Roads Sdn Bhd (“CMS Roads”) and CMS Pavement Tech Sdn Bhd (CMS Pavement”) (cont'd)

(4) The Company undertakes to MMSB that it shall not, otherwise than as contemplated under the Shareholders' Agreement, acquire any UBG shares resulting in it holding 40% or more of the issued share capital of UBG; and

(5) The Company and MMSB mutually agree that in the event a party intends to dispose of its shareholding in UBG, it must be offered to the other party first before disposing the shares to a third party and both parties shall for a period of 36 months from the Commencement Date maintain shareholdings of at least 30%.

The Shareholders Agreement between MMSB and the Company is subject to the following conditions precedent:

(a) the completion of the proposed acquisition of PPB and the proposed acquisition of LLCB; and

(b) the completion of the proposed restricted issue by UBG to MMSB.

(v) Proposed Regularisation Scheme (PN17) by UBG

Following the completion of the disposal of UBG's entire investment in Rashid Hussain Berhad on 22 May 2007, UBG ceased to have significant business operations. Accordingly, UBG is an Affected Listed Issuer pursuant to PN17 and Paragraph 8.14C of the Listing Requirements of the Bursa Securities. Bursa Securities has on 17 January 2008 approved UBG's application for an extension of time of one month to submit a regularisation plan by 21 February 2008.

Aseambankers Malaysia Berhad, main advisors for UBG had on 31 January 2008 announced that UBG had entered into agreements in relation to its regularisation plan to uplift UBG's PN 17 status listed on Bursa Securities and the Proposed Regularisation Plan involves the following:-

(a) a conditional share sale agreement with PPES and SEDC, to acquire 1,000,000 ordinary shares of RM1.00 each in CMS Roads representing the entire issued and paid-up share capital of CMS Roads for a purchase consideration of RM123.0 million, to be satisfied by the issuance of 39,852,000 new UBG shares to PPES at an issue price of RM2.50 per UBG Share and a cash consideration of RM23.37 million to SEDC (“Proposed CMS Roads Acquisition”);

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B8. Corporate proposals (cont'd)

(a) Status of corporate proposals (cont'd)

(v) Proposed Regularisation Scheme (PN17) by UBG (cont'd)

- (b) a conditional share sale agreement with PPES to acquire 5,000,000 ordinary shares of RM1.00 each in CMS Pavement representing the entire issued and paid-up capital of CMS Pavement for a purchase consideration of RM12.0 million, to be satisfied by the issuance of 4,800,000 new UBG Shares to PPES at an issue price of RM2.50 per UBG share ("Proposed CMS Pavement Acquisition");

(Agreements (a) and (b) above are inter-conditional upon each other).

- (c) a conditional share sale agreement with SSSB to acquire 68,604,274 existing ordinary shares of RM0.50 each in PPB representing 49.21% equity interest in PPB from SSSB for a purchase consideration of approximately RM332.7 million to be satisfied entirely in cash ("Proposed PPB Acquisition"); and

- (d) a conditional share sale agreement with BBSB to acquire 25,540,431 existing ordinary shares of RM1.00 each in LLCB representing 37.56% equity interest in LLCB from BBSB for a purchase consideration of approximately RM123.9 million to be satisfied entirely in cash ("Proposed LLCB Acquisition");

- (e) Proposed issuance of 182,640,800 new ordinary shares of RM0.25 each in UBG ("UBG Shares") to MMSB at the issue price of RM2.50 per new UBG Shares; and

- (f) Mandatory general offer by UBG for the remaining shares in PPB and LLCB not already held by UBG upon completion of the Proposed PPB Acquisition and Proposed LLCB Acquisition at the offer price of RM4.85 per PPB share and LLCB share ("MO").

(Agreements (c), (d), (e) and (f) above are inter-conditional upon each other).

The Proposed Regularisation Plan is subject to (inter-alia) the approval of the SC, approval-in-principle of Bursa Securities for listing of new UBG's shares to be issued, shareholders approval, and other relevant approvals where applicable.

On 15 February 2008, Bursa Securities has approved UBG's application for an extension of time up to 21 March 2008 to submit its regularisation plan to the relevant authorities.

Subsequently, on 21 March 2008, it was announced that the relevant applications to the SC have been submitted to seek the approvals for UBG's Proposed Regularisation Scheme and the approvals are still pending.

Approval of UBG's shareholders has been obtained on 20 May 2008 at its Extraordinary General Meeting.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B8. Corporate proposals (cont'd)

(a) Status of corporate proposals (cont'd)

(vi) Status of Utilisation of Proceeds

The status of the utilization of proceeds from the Disposal of RHB to EPF as at 31 March 2008:

Purpose	Proposed	Actual	Deviation ¹	
	Utilisation	Utilisation	Amount	
	RM'000	RM'000	RM'000	%
Proceeds	2,252,954	2,252,954	0	0.0%
Repayment of bank borrowings	(145,000)	(145,000)		
Proposed capital repayment	(1,365,520)	(1,365,520)		
Defray expenses re: Proposals	(12,500)	(12,868)	(368)	2.9%
Balance to be utilised to finance/ part-finance acquisition of new core business being identified and/or working capital for UBG group²	729,934	729,566	(368)	0.1%

¹ Deviation is due to service tax, and other incidental expenses.

² Pending SC's approval of Proposed Regularisation Scheme announced on 31 Jan 2008.

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

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

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B9. Borrowings

	As at 31.3.2008	As at 31.12.2007
	RM'000	RM'000
<i>Secured</i>		
Bank overdrafts	0	0
Bankers' acceptances	22,377	0
Revolving credits	77,950	77,950
Term loans	0	0
<i>Unsecured</i>		
Bank overdrafts	101	25
Bankers' acceptances	0	7,534
Revolving credits	50,000	52,000
Term loan	10,313	161,531
CMS Income Securities	379,263	379,263
Total	<u>540,004</u>	<u>678,303</u>
Maturity		
Repayable within one year	214,226	351,307
One year to five years	325,778	326,996
	<u>540,004</u>	<u>678,303</u>

B10. 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.

B11. Changes in material litigation

There were no changes in material litigation since the last annual balance sheet date of 31 December 2007.

B12. Dividend payable

No interim ordinary dividend has been declared for the three months ended 31 March 2008 (31 March 2007: Nil).

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

B13. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	3 months ended	
	31.3.2008	31.3.2007
	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	8,723	6,569
Loss from discontinued operation attributable to ordinary equity holders of the parent	(160)	(1,395)
Profit attributable to ordinary equity holders of the parent	8,563	5,174
	3 months ended	
	31.3.2008	31.3.2007
	'000	'000
Weighted average number of ordinary shares in issue	329,446	329,446
	3 months ended	
	31.3.2008	31.3.2007
	sen	sen
Basic earnings per share for:		
Profit from continuing operations	2.65	1.99
Loss from discontinued operation	(0.05)	(0.42)
Profit for the period	2.60	1.57

B14. Auditor's report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2007 was not subject to any qualification.

B15. 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 21 May 2008.

BY ORDER OF THE BOARD

Koo Swee Pheng

Secretary

Date: 21 May 2008