

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2012

Part A – Explanatory notes pursuant to MFRS 134

A1. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2012, 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. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

These condensed consolidated interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied.

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 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group’s financial performance, financial position and cash flows is set out in Note A2 below. These notes include reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of comprehensive income and the statement of cash flows.

A2. Summary of significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

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A2. Summary of significant accounting policies and application of MFRS 1 (contd.)

(a) Business combination (contd.)

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded leasehold land and certain buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those land and buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of land and buildings during the year 1996 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The revaluation surplus of RM12,633,001 (30 June 2011: RM12,633,001; 31 December 2011: RM12,633,001) was transferred to retained earnings on date of transition.

(c) Investment in associates

Under FRS, the Group's investments in associates are measured at cost plus post acquisition changes in the Group's share of net assets of the associates in accordance with FRS 128 Investments in Associates. At the date of transition to MFRS, the Group has elected to use the fair value at the date of transition as the deemed cost for its investment in an associate.

The carrying amount of the Group's investments in associates was reduced by RM104,756,000 (30 June 2011: RM104,756,000; 31 December 2011: RM104,756,000). The resulting adjustments were RM99,728,000 (30 June 2011: RM99,728,000; 31 December 2011: RM99,728,000) recognised against retained earnings and RM5,028,000 (30 June 2011: RM5,028,000; 31 December 2011: RM5,028,000) attributed to non-controlling interests being their share of the reduction in value.

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A2. Summary of significant accounting policies and application of MFRS 1 (contd.)

(d) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM2,262,000 (30 June 2011: RM2,262,000; 31 December 2011: RM2,262,000) were adjusted to retained earnings.

(e) Investment properties

In accordance with FRS 140 Investment Property, the Group's investment properties are initially measured at cost. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Upon transition to MFRS, the Group has elected to apply the optional exemption to use the fair value at the date of transition as the deemed cost for its investment properties using cost model under MFRS 140 Investment Property.

The adjustments to the carrying amount of investment properties increased the depreciation charges for the period ended 30 June 2011 and 31 December 2011 by RM58,000 and RM117,000, respectively.

(f) Effect on the share of an associate's MFRS adjustment

The Group's associate in the investment banking industry had previously under FRS as modified by Bank Negara Malaysia ("BNM") Guidelines, applied the transitional arrangement issued by BNM on Classification and Impairment Provisions for loans, advances and financing, whereby collective impairment allowance is maintained at 1.5% of total outstanding loans, net of individual impairment. This transitional arrangement was removed with effect from 1 January 2012.

Under the MFRS framework, the associate's accounting policy on collective impairment assessment has been changed to comply with MFRS 139 Financial Instruments: Recognition and Measurement. As a result of the change, the cumulative allowance under previous FRS has been adjusted and the Group adjusted for its share of the effect accordingly.

The Group's share of the MFRS adjustments were an increase in investments in associates of RM1,395,000 (31 December 2011: RM1,395,000) with corresponding adjustments to retained earnings of RM1,328,000 (31 December 2011: RM1,328,000) and non-controlling interests of RM67,000 (31 December 2011: RM67,000).

(g) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

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A2. Summary of significant accounting policies and application of MFRS 1 (contd.)

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

(i) Reconciliation of equity as at 30 June 2011

	FRS As at 30.6.2011 RM'000	Note A2(b) Property, plant and equipment RM'000	Note A2(c) Investment in associates RM'000	Note A2(d) Foreign currency translation reserve RM'000	Note A2(e) Investment properties	MFRS As at 30.6.2011 RM'000
Assets						
Non-current assets						
Property, plant and equipment	389,178					389,178
Investment properties	6,095				(58)	6,037
Goodwill and intangible assets	64,554					64,554
Investments in associates	281,254		(104,756)			176,498
Other non-current assets	98,787					98,787
	<u>839,868</u>					<u>735,054</u>
Total current assets	1,314,046					1,314,046
Total assets	2,153,914					2,049,100
Equity and liabilities						
Equity						
Share capital	329,481					329,481
Share premium	427,590					427,590
Capital reserve	46,492	(12,633)				33,859
Translation reserve	(2,493)			2,262		(231)
Other reserves	(14,911)					(14,911)
Retained earnings	564,263	12,633	(99,728)	(2,262)	(58)	474,848
	<u>1,350,422</u>					<u>1,250,636</u>
Non-controlling interests	170,265		(5,028)			165,237
	<u>1,520,687</u>					<u>1,415,873</u>
Total non-current liabilities	187,234					187,234
Total current liabilities	445,993					445,993
Total equity and liabilities	2,153,914					2,049,100

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A2. Summary of significant accounting policies and application of MFRS 1 (contd.)

(ii) Reconciliation of total comprehensive income for the quarter ended 30 June 2011 and for the 6 months ended 30 June 2011

	FRS Quarter ended 30.6.2011 RM'000	Note A2(e) Investment properties RM'000	MFRS Quarter ended 30.6.2011 RM'000	FRS 6 months ended 30.6.2011 RM'000	Note A2(e) Investment properties RM'000	MFRS 6 months ended 30.6.2011 RM'000
Revenue	257,963		257,963	484,330		484,330
Cost of sales	(195,586)	(29)	(195,615)	(376,598)	(58)	(376,656)
Gross profit	62,377		62,348	107,732		107,674
Other income	623		623	16,122		16,122
Administrative expenses	(12,313)		(12,313)	(27,424)		(27,424)
Other expenses	(5,595)		(5,595)	(8,828)		(8,828)
Operating profit	45,092		45,063	87,602		87,544
Finance costs	(5,150)		(5,150)	(10,280)		(10,280)
Share of results of associates	4,408		4,408	10,123		10,123
Share of results of jointly controlled entities	0		0	0		0
Profit before tax	44,350		44,321	87,445		87,387
Income tax expense	(11,429)		(11,429)	(20,031)		(20,031)
Profit for the period	32,921		32,892	67,414		67,356
Other comprehensive income for the period, net of tax	357		357	(109)		(109)
Total comprehensive income for the period, net of tax	33,278		33,249	67,305		67,247
Profit attributable to:						
Owners of the Company	27,792		27,763	58,426		58,368
Non-controlling interests	5,129		5,129	8,988		8,988
	32,921		32,892	67,414		67,356
Total comprehensive income attributable to:						
Owners of the Company	28,131		28,102	58,304		58,246
Non-controlling interests	5,147		5,147	9,001		9,001
	33,278		33,249	67,305		67,247

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A3. Seasonal or cyclical factors

The business operations of the Group are generally non-cyclical or seasonal.

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 period ended 31 March 2012.

A5. Changes in estimates

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

A6. Debt and equity securities

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter except for the issuance of 105,600 ordinary shares of RM1 each for cash pursuant to the Company's employees' share option scheme at the exercise price of RM2.20 per share.

A7. Dividends paid

There was no dividend paid during the quarter ended 30 June 2012.

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A8. Segmental information

	3 months ended		6 months ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Manufacturing	139,680	111,675	262,511	214,262
Construction & road maintenance	51,691	57,018	92,069	88,513
Construction materials	43,831	51,886	76,077	97,363
Services #	18,960	5,322	35,929	5,617
Property development	31,411	34,252	36,061	63,509
Others*	24,944	21,476	51,571	51,005
Total revenue including inter-segment sales	310,517	281,629	554,218	520,269
Elimination of inter-segment sales	(18,316)	(23,667)	(31,675)	(35,939)
	<u>292,201</u>	<u>257,962</u>	<u>522,543</u>	<u>484,330</u>
Segment Results				
Operating profit/(loss):				
Manufacturing	10,893	23,544	38,994	42,001
Construction & road maintenance ^	16,698	13,534	29,460	33,700
Construction materials	6,226	6,094	8,439	12,001
Services #	8,084	21	16,000	(49)
Property development	22,316	453	22,090	(16)
Others *	7,728	612	8,371	1,527
	<u>71,945</u>	<u>44,258</u>	<u>123,354</u>	<u>89,164</u>
Unallocated corporate expenses	(1,644)	(4,345)	(6,426)	(11,900)
Share of profit of associates	(188)	4,408	3,082	10,123
	<u>70,113</u>	<u>44,321</u>	<u>120,010</u>	<u>87,387</u>
Income tax expenses	(14,851)	(11,428)	(28,347)	(20,031)
Net profit for the period	<u>55,262</u>	<u>32,893</u>	<u>91,663</u>	<u>67,356</u>

Lodging and catering services.

* Trading, financial services, education and others.

^ Included in the 2011 results was a gain on acquisition of RM11.43 million.

With effect from the previous quarter, Services Segment is shown as a reportable segment, separate from Others Segment while Trading Segment is included in Others Segment. The comparatives are restated accordingly.

A9. Changes in the composition of the Group

There have been no changes in the composition of the Group for the quarter ended 30 June 2012.

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A10. Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

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

Level 2 - Inputs that are based on observable market data, either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data (unobservable inputs).

As at the reporting date, the Group held the following financial assets that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2012				
Fair value through profit or loss:				
Fixed income debt securities	-	54,626	-	54,626
Equity instruments	11,497	-	-	11,497
Unit trust funds	27,976	-	-	27,976
	<u>39,473</u>	<u>54,626</u>	<u>-</u>	<u>94,099</u>
31 December 2011				
Fair value through profit or loss:				
Fixed income debt securities	-	52,838	-	52,838
Equity instruments	8,314	-	-	8,314
Unit trust funds	27,557	-	-	27,557
	<u>35,871</u>	<u>52,838</u>	<u>-</u>	<u>88,709</u>

There have been no transfers between any levels during the current interim period and the comparative period. There were also no changes in the purpose of any financial assets that subsequently resulted in a different classification of that asset.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

A11. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 June 2012 was as follows:

	RM'000
Capital expenditure for property, plant and equipment:	
- Approved and contracted for	6,859
- Approved but not contracted for	65,212
Other capital commitments:	
- Approved and contracted for	26,667
- Approved and not contracted for	6,667
	<u>105,405</u>

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A12. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the six-month period ended 30 June 2012 and 30 June 2011 as well as the balances with the related parties as at 30 June 2012 and 31 December 2011:

		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	2012	330	-	-	-
	2011	698	-	-	-
- COPE-KPF Opportunities 1 Sdn Bhd	2012	1,206	-	-	-
	2011	879	-	-	-
- KKB Engineering Bhd	2012	5	81	-	-
	2011	-	1,029	-	741
- Harum Bidang Sdn Bhd	2012	-	4,034	-	-
	2011	-	-	-	5,734
- Kenanga Investors Bhd	2012	-	24	-	-
	2011	-	11	-	-
Jointly controlled entity:					
- PPES Works Wibawa JV	2012	15	-	29	-
	2011	-	-	-	-
Key management personnel of the Group:					
- Directors' interest	2012	-	924	-	25
	2011	-	928	-	72

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

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A13. Changes in contingent liabilities and contingent assets

There were no changes in the contingent liabilities or contingent assets since the last annual reporting date except for the following:-

For the quarter under review, the Company has extended unsecured corporate guarantee of RM31,000,000 to RHB Bank Berhad for banking facilities granted to OM Materials (Sarawak) Sdn. Bhd. (“OM”), an associate of a wholly-owned subsidiary, Samalaju Industries Sdn. Bhd.

The Company has on the basis of its twenty per cent (20%) ownership interest in OM, extended unsecured corporate guarantee to Syarikat Sesco Berhad (“SSB”) to guarantee the performance by OM of its obligations under the Power Purchase Agreement entered into between OM and SSB on 2 February 2012.

A14. Subsequent events

There were no material events subsequent to the statement of financial position date that have not been reflected in the financial statements.

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

B1. Review of performance

Quarter 2, 2012 vs. Quarter 2, 2011

The Group's revenue of RM292.20 million for the current quarter was 13% higher than the preceding year's corresponding quarter. The increase came from the Manufacturing and the Services Divisions.

The Manufacturing Division registered a revenue of RM139.68 million (2Q2011: RM111.68 million), an improvement of 25% over the same quarter last year, attributable to higher sales volume as well as higher selling prices from an upward revision with effect from 1 August 2011.

The Services Division registered a revenue of RM18.96 million (2Q2011: RM5.32 million), 256% higher than the same quarter last year, with more blocks of lodges and catering services.

The Group's profit before tax of RM70.11 million for the current quarter was 58% higher than the preceding year's corresponding quarter. This was mainly attributable to the sale of land by Property Development Division, lower finance cost, receipt of RM8.5 million settlement sum by the IT subsidiary following the favourable outcome of an arbitration and the higher pre-tax profit contributions from all divisions except for the Manufacturing Division.

The Property Development Division's profit for the current quarter mainly came from the sale of land.

The Services Division recorded a pre-tax profit of RM8.08 million (2Q2011: RM0.02 million). The lower pre-tax profit in the preceding year's corresponding quarter was mainly due to the write off of expenses of RM3.30 million relating to project under study.

The Construction & Road Maintenance registered an improved profit due to an increase in contract rate for the State Road Routine Maintenance work with effect from 1 January 2012 coupled with the recognition of arrears for the work carried out in first quarter of 2012.

The Manufacturing Division experienced a sharp reduction in profitability for the current quarter of RM10.89 million (2Q2011: RM23.54 million) compared to the same quarter last year despite a higher revenue. This was mainly due to the prolonged shutdown of its clinker plant for upgrading resulting in higher priced imported clinker.

Year-to-date, 2012 vs. Year-to-date, 2011

The Group's revenue of RM522.54 million for the six months period ended 30 June 2012 was 8% higher compared to the 6-month period ended 30 June 2011 of RM484.33 million. The increase came from the Manufacturing, Construction & Road Maintenance and Services Divisions but off-set by a decline in Property Development and Construction Materials Divisions' revenues.

The Group's profit before tax of RM120.01 million for the period under review was 37% higher than RM87.39 million for previous corresponding period ended 30 June 2011. Higher pre-tax profit was contributed by Property Development, Services and Others Divisions but partially mitigated by lower pre-tax profit from all other divisions and the associates.

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B1. Review of performance (contd.)

The Manufacturing Division, being the key driver and largest contributor to the Group's profitability, continued to achieve healthy results for period ended 30 June 2012. However, despite the increase in sales volume and revenue in the financial period under review, its profit before tax was impacted by the prolonged shutdown of the clinker plant for upgrading resulting in higher priced imported clinker. The pre-tax profit decreased by 7% to RM38.99 million in current period from RM42.04 million in previous corresponding period in 2011.

The Construction & Road Maintenance Division registered a 32% jump in pre-tax profit to RM29.46 million for the six months ended 30 June 2012 from RM22.27 million in previous year (excluding the gain on acquisition of CMS Roads Sdn. Bhd. and CMS Pavement Tech Sdn. Bhd. of RM11.43 million) as current period's profit before tax included 6 months' profit of the two subsidiaries acquired on 28 February 2011 whilst only 4 month profit in 2011. Another contributing factor to the higher profit in 2012 was the increase in contract rate for state road routine maintenance.

The Construction Materials Division's profit before tax fell by 29% or RM3.41 million to RM8.43 million primarily due to lower revenue, a major repair done to a plant's crusher and the lesser government fund allocation for projects.

Services Division, which commenced operations in 2nd quarter of 2011, continued to report a commendable profit before tax for the six months ended 30 June 2012.

Property Development Division recorded a pre-tax profit of RM22.09 million in the current financial period ended 30 June 2012, compared to a loss in the previous corresponding period due largely to the recognition of profits for the sale of land in the current quarter.

Profit in the Others Division was higher than the same period last year mainly due to the receipt of RM8.5 million settlement sum by the IT subsidiary following the favourable outcome of an arbitration. The education company continued to make losses as a result of higher overhead costs incurred.

The Group reported lower shares of profit from its listed associates namely K&N Kenanga Berhad and KKB Engineering Berhad in the current period under review compared to previous corresponding period in 2011.

B2. Material variations of results for the quarter (Quarter 2, 2012 vs Quarter 1, 2012)

The Group's profit before tax of RM70.11 million in the second quarter ended 30 June 2012 was 41% higher than the RM49.90 million reported in the preceding quarter ended 31 March 2012. The higher pre-tax profit in the current quarter under review was mainly attributable to:

- (i) the recognition of profit for the sale of land by the Property Development Division;
- (ii) the increase in the routine road maintenance rate, higher road length maintained coupled with the arrears for the first quarter of 2012 recognised in the second quarter of 2012 by the Construction & Road Maintenance Division;
- (iii) higher sales volume and upward revision in selling prices effective April 2012 by the premix business in the Construction Materials Division;
- (iv) settlement sum received by an IT company following the favourable outcome of the arbitration.

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B2. Material variations of results for the quarter (Quarter 2, 2012 vs Quarter 1, 2012) (contd.)

The increase was partially offset by a sharp reduction in the profitability in the Manufacturing Division due to the prolonged shutdown of its clinker plant for upgrading resulting in additional cost incurred for the importation of clinker.

The Group's new associate namely OM Materials (Sarawak) Sdn Bhd recorded a marginal loss in the current quarter upon the reversal foreign exchange loss registered in the preceding quarter. Both the Group's other associates' performances weakened in the second quarter of 2012 compared to the preceding quarter.

B3. Prospects for the year ending 31 December 2012

Whilst the operating environment faced by the Group will remain challenging, the Board expects that the Group's financial performance will continue to remain favourable and prospects for year ending 31 December 2012 to be good. The Group's strong financial position will enable the Group to invest in new business opportunities especially in the Samalaju Industrial Park, Bintulu, Sarawak.

B4. Profit forecast or profit guarantee

Not applicable as there was no profit forecast nor profit guarantee issued.

B5. Income tax expense

	3 months ended		6 months ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	14,835	11,418	28,273	20,020
- Over provision in respect of previous years	16	11	74	11
Deferred tax	0	0	0	0
Total income tax expense	<u>14,851</u>	<u>11,429</u>	<u>28,347</u>	<u>20,031</u>

The effective tax rate for the financial period ended 30 June 2011 was lower than the statutory tax rate principally due to the non-taxable capital gain on acquisition of subsidiaries but partially reduced by the losses of certain subsidiaries which could not be set off against taxable profit. The effective tax rate for the quarter and period ended 30 June 2012 was lower than the statutory tax rate primarily due to the benefit of utilisation of previously unrecognised tax losses for the gain from the disposal of land and settlement sum received from favourable outcome of an arbitration.

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There were no other corporate proposals that have been announced but not completed as at the date of this announcement.

B7. Borrowings

	30.6.2012	31.12.2011
	RM'000	RM'000
Secured		
Revolving credits	15,000	15,000
Hire purchase and finance lease liabilities	100	170
Unsecured		
Bankers' acceptances	14,790	25,808
Revolving credits	1,000	0
Term loans	74,960	85,680
CMS Income Securities	85,260	85,507
Loan from corporate shareholder	3,308	3,582
Total	194,418	215,747
Maturity		
Repayable within one year	138,117	148,444
One year to five years	56,301	66,476
Over five years	0	827
	194,418	215,747

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 2011.

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B12. Dividend payable

The Board of Directors has on 29 August 2012 declared an interim dividend of five (5) sen less 25% tax per ordinary share (2011: Nil) in respect of the financial year ending 31 December 2012. The dividend entitlement and payment date for the interim dividend will be announced at a later date.

	2012	2011
Amount per share (sen)		
- interim dividend less taxation at 25% (2011: Nil)	5	-
Total dividend for the financial year	5	-

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		6 months ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
		(Restated)		(Restated)
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	47,097	27,763	78,441	58,368
Weighted average number of ordinary shares in issue ('000)	329,554	329,469	329,561	329,469
Basic earnings per share (sen)	14.29	8.43	23.80	17.72
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	329,924	329,598	330,003	329,598
Diluted earnings per share (sen)	14.27	8.42	23.77	17.71

B14. Auditor's report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not subject to any qualification.

CAHYA MATA SARAWAK BERHAD

(Company No. 21076-T)

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2012**B15. Additional disclosure on profit for the period**

	Quarter ended 30.6.2012 RM'000	Financial period ended 30.06.2012 RM'000
Profit for the period is arrived at after charging/(crediting):		
Amortisation of intangible assets	375	557
Amortisation of prepaid land lease payments	223	363
Bad debt written off	-	-
Property, plant and equipment written off	3	3
Depreciation of property, plant and equipment	12,815	21,002
Depreciation of investment properties	29	58
(Gain)/loss on foreign exchange	(384)	(432)
(Gain)/loss on disposal of property, plant and equipment	(229)	(229)
(Gain)/loss on disposal of investments	-	(261)
(Gain)/loss on fair value changes of derivatives	-	-
Impairment loss on trade receivables	44	87
Interest expense	2,843	5,815
Interest income	(2,241)	(4,531)
Inventory written off	217	217
Net fair value changes in investment securities	(157)	(369)
Reversal of allowance for impairment loss on trade receivables	(107)	(187)
Reversal of allowance for obsolete inventory	(217)	(217)
Write down of inventory	22	22

B16. Realised and unrealised profits/losses

	As at 30 June 2012 RM'000	As at 31 December 2011 (Restated) RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	503,320	456,022
- Unrealised	(20,710)	(21,079)
	482,610	434,943
Total retained earnings from associates:		
- Realised	15,365	12,990
- Unrealised	4,333	5,924
	19,698	18,914
Total retained earnings from jointly controlled entities:		
- Realised	1,427	1,427
	503,735	455,284
Add: consolidation adjustments	70,569	77,659
Total Group retained earnings as per consolidated accounts	574,304	532,943

CAHYA MATA SARAWAK BERHAD
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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2012

B17. 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 29 August 2012.

BY ORDER OF THE BOARD

Koo Swee Pheng

Secretary

Date: 29 August 2012