

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3rd Quarter Ended		9 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Revenue	625,527	568,091	1,895,713	1,707,704
Operating expenses	(494,234)	(423,020)	(1,514,182)	(1,330,578)
Depreciation and amortisation	(38,656)	(38,797)	(118,347)	(116,416)
Other income/(expenses)	569	(1,979)	(488)	(6,258)
Investment income	1,357	551	4,948	4,976
Interest income	2,038	1,540	5,108	4,457
Profit from operations	96,601	106,386	272,752	263,885
Finance cost	(2,753)	(2,403)	(8,156)	(7,934)
Share in results of associate	3,366	(1,841)	5,573	(5,348)
Profit before tax	97,214	102,142	270,169	250,603
Income tax expense	(25,349)	(12,197)	(70,683)	(38,879)
Profit for the period	71,865	89,945	199,486	211,724
Other comprehensive income/(loss), net of tax				
Net change in fair value of available- for-sale financial assets	-	(2)	-	(27)
Foreign currency translation differences for foreign operations	549	1,405	(1,304)	(3,880)
Net change in cash flow hedges	324	1,377	660	(617)
Others	-	-	(111)	-
Total other comprehensive income/ (loss) for the period, net of tax	873	2,780	(755)	(4,524)
Total comprehensive income for the period	72,738	92,725	198,731	207,200
Profit/(Loss) attributable to:				
Owners of the Company	71,302	91,148	200,459	214,825
Non-controlling interests	563	(1,203)	(973)	(3,101)
	71,865	89,945	199,486	211,724
Total comprehensive income/(loss) attributable to:				
Owners of the Company	72,164	93,476	199,693	210,299
Non-controlling interests	574	(1,201)	(962)	(3,099)
	72,738	92,275	198,731	207,200
Basic and diluted earnings per share (sen)	8.4	10.7	23.6	25.3

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31st December 2010 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2011 RM'000	As at 31 December 2010 RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment		1,682,064	1,763,888
Investment property		3,578	3,777
Prepaid lease payments on leasehold land		120,585	124,649
Goodwill on consolidation		1,205,889	1,205,889
Other intangible assets		3,956	4,179
Investment in associate		15,474	9,601
Other financial assets		2,082	2,111
Deferred tax assets		1,841	1,205
		3,035,469	3,115,299
<u>Current assets</u>			
Inventories		268,281	261,133
Current tax assets		21,305	20,884
Trade receivables		325,741	275,814
Other receivables and prepaid expenses		42,023	36,234
Amounts owing by holding and other related companies		34,007	23,517
Derivative financial assets	B10	728	26
Term deposits		71,576	128,909
Fixed income trust fund		27,655	30,083
Cash and bank balances		206,538	213,715
		997,854	990,315
Assets classified as held for sale		-	18,748
		997,854	1,009,063
Total assets		4,033,323	4,124,362
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Share capital		849,695	849,695
Reserves:			
Share premium		1,067,199	1,067,199
Capital reserve		33,968	34,079
Exchange equalisation reserve		39,849	41,164
Capital redemption reserve		33,798	33,798
Hedging reserve		230	(430)
Retained earnings		1,038,867	1,059,508
Equity attributable to owners of the Company		3,063,606	3,085,013
Non-controlling interests		15,970	16,754
Total equity		3,079,576	3,101,767

Forward

LAFARGE MALAYAN CEMENT BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2011 RM'000	As at 31 December 2010 RM'000
<u>Non-current liabilities</u>			
Borrowings	B9	2,002	107,949
Retirement benefits		44,757	40,920
Deferred tax liabilities		269,622	283,076
		316,381	431,945
<u>Current liabilities</u>			
Trade payables		328,367	293,075
Other payables and accrued expenses		84,146	96,670
Amounts owing to holding and other related companies		11,042	12,422
Borrowings	B9	106,561	107,826
Derivative financial liabilities	B10	-	998
Tax liabilities		39,274	11,683
Dividend payable		67,976	67,976
		637,366	590,650
Total liabilities		953,747	1,022,595
Total equity and liabilities		4,033,323	4,124,362
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.61	3.63

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31st December 2010 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →									
	← Non-distributable →						Distributable			
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Exchange Equalisation Reserve RM'000	Capital Redemption Reserve RM'000	Hedging Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
As of 1 January 2011	849,695	1,067,199	34,079	41,164	33,798	(430)	1,059,508	3,085,013	16,754	3,101,767
Total comprehensive income/(loss) for the period	-	-	(111)	(1,315)	-	660	200,459	199,693	(962)	198,731
Dividends	-	-	-	-	-	-	(220,922)	(220,922)	-	(220,922)
Changes in ownership with no loss of control	-	-	-	-	-	-	(178)	(178)	178	-
As of 30 September 2011	849,695	1,067,199	33,968	39,849	33,798	230	1,038,867	3,063,606	15,970	3,079,576
As of 1 January 2010	849,695	1,067,199	33,968	44,209	33,798	-	1,164,779	3,193,648	20,996	3,214,644
As previously stated - Effect of adopting FRS 139	-	-	-	-	-	278	(389)	(111)	-	(111)
As of 1 January 2010 (restated)	849,695	1,067,199	33,968	44,209	33,798	278	1,164,390	3,193,537	20,996	3,214,533
Total comprehensive income/(loss) for the period	-	-	-	(3,882)	-	(644)	214,825	210,299	(3,099)	207,200
Dividends	-	-	-	-	-	-	(263,406)	(263,406)	-	(263,406)
As of 30 September 2010	849,695	1,067,199	33,968	40,327	33,798	(366)	1,115,809	3,140,430	17,897	3,158,327

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31st December 2010 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Period Ended	
	30 September 2011 RM'000	30 September 2010 RM'000
<u>Cash Flows From Operating Activities</u>		
Profit before tax	270,169	250,603
Adjustments for:-		
Non-cash items	123,000	133,710
Non-operating items	2,465	3,387
Operating profit before changes in working capital	395,634	387,700
Decrease/(Increase) in:		
Inventories	(15,700)	(15,976)
Receivables	(53,738)	9,398
Amounts owing by holding and other related companies	(6,583)	(40)
Increase/(Decrease) in:		
Payables	28,286	(10,895)
Amounts owing to holding and other related companies	(5,630)	3,547
Cash generated from operations	342,269	373,734
Retirement benefits paid	(1,147)	(3,524)
Tax paid	(57,563)	(9,987)
Net cash generated from operating activities	283,559	360,223
<u>Cash Flows From Investing Activities</u>		
Additions to property, plant and equipment	(38,836)	(24,544)
Interest received	5,691	4,541
Proceeds from disposal of:		
- assets classified as held for sale	19,425	-
- investment property	193	-
- property, plant and equipment	4,033	1,755
- unquoted investment	12	-
Payments for prepaid lease payments on leasehold land	(515)	-
Net cash used in investing activities	(9,997)	(18,248)
<u>Cash Flows From Financing Activities</u>		
Dividends paid	(220,922)	(263,406)
Interest paid	(10,482)	(9,893)
Repayment of borrowings	(107,212)	(140,000)
Net cash used in financing activities	(338,616)	(413,299)
Net Change in Cash and Cash Equivalents	(65,054)	(71,324)
Effects of currency translations	(1,884)	(1,346)
Cash and Cash Equivalents at beginning of the year	372,707	413,521
Cash and Cash Equivalents at end of the period	305,769	340,851

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31st December 2010 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the 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 2010.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards (FRSs), amendments to FRSs and IC Interpretations:

Adoption of New and Revised FRSs, IC Interpretations and Amendments

Effective for financial periods beginning on or after 1 March 2010:

FRS 132	Financial Instruments: Presentation (Amendments relating to Classification of Rights Issues)
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Effective for financial periods beginning on or after 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 2	Share-based Payments (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3	Business Combinations (Revised in 2010)
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010)
FRS 128	Investment in Associates (Revised)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127)
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemption for First-time Adopters)
FRS 2	Share-based Payments (Amendments relating to Group Cash-settled Share Based Payment Transactions)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
Improvements to FRSs issued in 2010	

The adoption of the abovementioned new and revised FRSs, IC Interpretations and Amendments has no effect to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year.

New and Revised FRSs, IC Interpretations and Amendments issued but are not yet effective for the Group's Current Quarter Report

Effective for financial periods beginning on or after 1 July 2011:

IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendments relating to Prepayments of a Minimum Funding Requirement)
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

Effective for financial periods beginning on or after 1 January 2012:

FRS 124	Related Party Disclosures (revised)
IC Interpretation 15	Agreements for the Construction of Real Estate

The Group plans to adopt the abovementioned Standards and IC Interpretations when they become effective. The initial application of these Standards and IC Interpretations are not expected to have any significant financial impact to the financial statements upon their first adoption.

A3. Audit Report of Preceding Audited Financial Statements

The audit reports of the preceding annual financial statements of the Company and of the Group were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The operations of the Group are closely linked to the construction sector which would normally experience a slow-down in construction activities during festive seasons in Malaysia and Singapore.

A5. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting the Group's assets, liabilities, equity, net income or cash flows that are material and unusual because of their nature, size or incidence.

A6. Material Changes in Accounting Estimates

There were no material changes in estimates of amounts reported in prior interim periods or in previous financial years which have a material effect in the current quarter.

A7. Capital Issues, Dealings in Own Shares and Repayment of Debt

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, share held as treasury shares and resale of treasury shares during the period under review.

A8. Dividends Paid

Dividends paid during the current financial year are as follows:

	RM'000
Third interim dividend paid on 19 January 2011 for the year ended 31 December 2010 - 8.0 sen single-tier dividend per ordinary share of RM1.00 each	67,976
Fourth interim dividend paid on 14 April 2011 for the year ended 31 December 2010 - 10.0 sen single-tier dividend per ordinary share of RM1.00 each	84,970
First interim dividend paid on 13 July 2011 for the year ending 31 December 2011 - 8.0 sen single-tier dividend per ordinary share of RM1.00 each	67,976
	<hr/> <u>220,922</u>

A second interim single-tier dividend of 8.0 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2011 amounting to RM67.976 million was paid on 12 October 2011.

A9. Segmental Information

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and liabilities that relate to investing and financing activities and cannot be reasonably allocated to individual segments. These include mainly corporate assets, other investments, deferred tax assets/liabilities and current tax assets/liabilities.

The Group is organised into the following main operating segments:

Cement	Cement business and trading of other building materials
Aggregates & Concrete	Aggregates and ready-mixed concrete business

Analysis of the Group's segment information is as follows:

9 Months Ended 30 September	Cement		Aggregates & Concrete		Elimination		Total	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Segment revenue								
External revenue	1,610,353	1,498,728	285,360	208,976	-	-	1,895,713	1,707,704
Internal revenue	178,451	129,885	707	214	(179,158)	(130,099)	-	-
	<u>1,788,804</u>	<u>1,628,613</u>	<u>286,067</u>	<u>209,190</u>	<u>(179,158)</u>	<u>(130,099)</u>	<u>1,895,713</u>	<u>1,707,704</u>
Segment profit/(loss)	<u>269,164</u>	<u>265,329</u>	<u>(1,520)</u>	<u>(5,901)</u>	<u>-</u>	<u>-</u>	<u>267,644</u>	<u>259,428</u>
Reconciliation of segment profit to consolidated profit before tax:								
Interest income							5,108	4,457
Finance cost							(8,156)	(7,934)
Share in results of associate							5,573	(5,348)
Consolidated profit before tax							<u>270,169</u>	<u>250,603</u>
Segment assets	<u>3,703,609</u>	<u>3,761,164</u>	<u>225,447</u>	<u>202,303</u>	<u>(242,204)</u>	<u>(210,460)</u>	<u>3,686,852</u>	<u>3,753,007</u>
Reconciliation of segment assets to consolidated total assets:								
Investment in associate							15,474	10,257
Unallocated corporate assets							330,997	333,517
Consolidated total assets							<u>4,033,323</u>	<u>4,096,781</u>
Segment liabilities	<u>666,373</u>	<u>500,153</u>	<u>110,842</u>	<u>114,064</u>	<u>(240,984)</u>	<u>(210,414)</u>	<u>536,231</u>	<u>403,803</u>
Reconciliation of segment liabilities to consolidated total liabilities:								
Interest bearing instruments							108,620	216,639
Unallocated corporate liabilities							308,896	325,549
Consolidated total liabilities							<u>953,747</u>	<u>945,991</u>

A11. Valuation of Property, Plant and Equipment

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

A12. Material Events Subsequent to Quarter End

There were no material events subsequent to the current financial quarter 30 September 2011 up to the date of this report which are likely to substantially affect the results of the operations of the Group.

A13. Changes in Group Composition

There were no other changes in the composition for the Group in this quarter.

A14. Contingent Liabilities

The Group has no material contingent liabilities as at the date of this report.

A15. Commitments

Outstanding commitments in respect of capital commitments at end of reporting period not provided for in the financial statements are as follows:

	As at 30 September 2011 RM'000
In respect of capital expenditure:	
Approved and contracted for	968
Approved but not contracted for	16,300
	<u>17,268</u>

A16. Related Party Transactions

The related parties and their relationship with the Company and its subsidiaries are as follows:

Name of Related Parties	Relationship
Lafarge S.A.	Ultimate holding company of the Company
Lafarge Cement UK PLC	Immediate holding company of the Company
Alliance Concrete Singapore Pte Ltd	Associate of the Company
Cementia Trading AG	Subsidiary of Lafarge S.A.
Cement Shipping Company Ltd	Subsidiary of Lafarge S.A.
Cementia Asia Sdn Bhd	Subsidiary of Lafarge S.A.
Coprocem Services Malaysia Sdn Bhd (formerly known as Circle Traders Asia Sdn Bhd)	Subsidiary of Lafarge S.A.
Lafarge Asia Sdn Bhd	Subsidiary of Lafarge S.A.
LGBA Trading (Singapore) Pte Ltd	Subsidiary of Lafarge S.A.
Marine Cement Ltd	Subsidiary of Lafarge S.A.
PT Lafarge Cement Indonesia	Subsidiary of Lafarge S.A.
P&O Global Technologies Sdn Bhd	Subsidiary of Pacific & Orient Berhad, of which Mr Chan Hua Eng, a Director of the Company until 25 th May 2011, is a substantial shareholder

The related party transactions for financial period ended 30 September 2011 are as follows:

Description of Transactions	RM'000
Ultimate holding company of the Company:	
Provision of trademark licence and general assistance fee	25,335
Associate of the Group:	
Sales of cement and ready-mixed concrete	26,541
Subsidiaries of ultimate holding company of the Company:	
Sale and/or purchase of cement and clinker	224,994
Voyage charter vessels cost	3,461
Time charter hire/sub-charter of vessels	3,037
Service fee for sourcing alternative fuel and raw materials	1,670
Maintenance of hardware and software	1,651
Rental income of office premises	818
Administrative and supporting service fee	90

The Directors are of the opinion that all related party transactions are entered into in the normal course of business and have been established under terms that are no less favourable than those that could be arranged with independent parties where comparable services or purchases are obtainable from unrelated parties. With regard to the agreement for the provision of trademark licence and general assistance, Lafarge S.A has the specialised expertise, technical competencies and/or facilities and infrastructure required for the provision of such services.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group's Performance

Current Quarter

Revenue was 10% higher in the current quarter compared to the corresponding quarter in 2010, attributable to higher sales volumes in line with the domestic market growth as well as better export price.

However, pre-tax profit for the quarter at RM97 million was lower than corresponding quarter of last year at RM102 million due to keen competition, higher cost of production resulting mainly from the fuel and power price increase and mitigated by better performance of our associate company.

Current Year to Date

The Group's revenue for 9 months ended 30 September 2011 was RM1.9 billion, an increase of 11% as compared to the corresponding period. The higher domestic sales volume and the increase in both domestic and export selling prices contributed to the increase in revenue.

The Group's pre-tax profit for the financial period to date increased by 8% as a result of the revenue growth and better performance of our associate company with some offset from higher production cost due mainly from higher input cost.

Comparison with Preceding Quarter

	3rd Quarter Ended 30 September 2011 RM'000	2nd Quarter Ended 30 June 2011 RM'000
Revenue	625,527	667,415
Profit before tax	<u>97,214</u>	<u>104,093</u>

Revenue and pre-tax profit of the Group were lower than preceding quarter mainly due to the slowdown in construction activities during the Hari Raya Puasa holidays.

B3. Prospects

Domestic demand for cement and other building materials continue to grow following the implementation of some major infrastructure projects and on-going property development activities. The outlook for the export market is expected to be stable. However, with the existing overcapacity in the domestic industry, the market shall remain challenging. The Group will continue to focus on product quality and service to our customers while keeping operating cost low. The Group should perform satisfactorily for the remaining period of the year.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 30 September 2011.

B5. Income tax expense

Income tax expense comprises the following:

	3rd Quarter Ended 30 September 2011 RM'000	9 Months Ended 30 September 2011 RM'000
In respect of current year:		
- income tax	(32,942)	(87,440)
- deferred tax	(1,092)	8,071
In respect of prior years:		
- overprovision of income tax	2,304	2,295
- overprovision of deferred tax	6,381	6,391
	<u>(25,349)</u>	<u>(70,683)</u>

The Group's effective tax rate for the current quarter is higher than the statutory tax rate of 25% in Malaysia mainly due to certain non tax-deductible expenses in certain subsidiaries.

It was announced on 7 April 2008 that, LMCB Holding Pte Ltd ("LMCBH"), a wholly owned subsidiary, received Notices of Additional Assessments from the Inland Revenue of Authority Singapore ("IRAS") in connection with the tax refunds received by LMCBH for Years of Assessment 2004 to 2006. LMCBH had recognised in its financial statements the tax refunds received arising from Section 44 tax credit amounting to RM21.276 million for the financial years ended 31 December 2003 to 2005 in connection with the dividends received by LMCBH following internal reorganisation of the Company's investments and corporate structure in Singapore announced on 30 July 2003. Also included in the Group's financial statements for the financial years ended 31 December 2006 and 2007 were tax refunds receivable amounting to RM17.275 million. Total tax refunds recognised for financial years ended 31 December 2003 to 2007 amounted to RM38.551 million. The IRAS via the Notice of Additional Assessment was seeking to recover the tax refunds previously received by LMCBH by assessing additional tax on LMCBH equivalent to the tax refunds. Based on professional advice received, the Company should not be liable to pay this additional tax as the notices of assessment are invalid and had therefore challenged the validity and basis of the Notices of Additional Assessment.

As previously announced on 14 November 2008, 18 February 2009, 27 August 2009, 19 November 2009, 25 February 2010, 26 May 2010, 25 August 2010, 29 November 2010, and 23 February 2011 LMCBH had appealed against the Notices of Additional Assessment to the Income Tax Board of Review of Singapore ("ITBRS"). The ITBRS had on 18 April 2011 dismissed LMCBH's appeal.

Based on professional legal advice that there are strong grounds of appeal, LMCBH has filed an appeal to the High Court against ITBRS' decision. LMCBH's appeal submissions have been filed with the High Court on 1 August 2011. A hearing date originally fixed for October 2011 has now being rescheduled to 26th and 27th March 2012.

B6. Unquoted Investments and/or Properties

The disposal of unquoted investments and investment properties during the current quarter and financial period ended 30 September 2011 were as follows:

	RM'000
Sale proceeds from unquoted investment	12
Sale proceeds from investment property	193
	<hr/>
Loss on disposal of unquoted investment	17
Gain on disposal of investment property	27
	<hr/> <hr/>

B7. Quoted Securities

a) There were no purchases or disposal of quoted securities during the quarter under review.

b) Investment in quoted securities as at 30 September 2011 is as follows:

	RM'000
Available-for-sale financial assets	11
	<hr/> <hr/>

B8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B9. Group Borrowings

The Group borrowings as at 30 September 2011 are as follows:

	RM'000
<u>Long-term borrowings</u>	
Floating rate notes (unsecured)	-
Finance lease (secured)	2,002
	<hr/>
	2,002
<u>Short-term borrowings</u>	
Floating rate notes (unsecured)	105,000
Finance lease (secured)	1,561
	<hr/>
	106,561
	<hr/> <hr/>
Total Group borrowings	108,563

All borrowings are denominated in Ringgit Malaysia.

B10. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 30 September 2011 measured at their fair values together with their corresponding contract/notional amounts classified by the remaining period of maturity are as follows:

Types of Derivatives	Contract/ Notional Values (RM'000)	Net Fair Value Assets (RM'000)	Maturity
Foreign exchange contracts	19,860	728	Less than 1 year

The Group derivative financial instruments are subject to market and credit risk, as follows:

Market Risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting items on and off the statement of financial position.

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group has a gain in a contract. As at 30 September 2011, the amount of credit risk in the Group measured in terms of the cost to replace the profitable contracts was RM728,000. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

There have been no changes since the end of the previous financial year in respect of the following:

- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts; and
- b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts.

B11. Fair Value Changes of Financial Liabilities

There was no gain/(loss) arising from fair value changes in financial liabilities in this reporting period.

B12. Material Litigation

There was no pending material litigation as at the date of this report.

B13. Dividend

The Directors has declared a third interim single-tier dividend of 8.0 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2011 which will be paid on 13 January 2012. The entitlement date for the dividend payment is on 14 December 2011.

A Depositor shall qualify for the entitlement only in respect of:

- (a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 14 December 2011 in respect of transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

B14. Earnings Per Share

Earnings per share are calculated as follows:

	<u>3rd Quarter Ended</u>		<u>9 Months Ended</u>	
	<u>30</u> <u>September</u> <u>2011</u>	<u>30</u> <u>September</u> <u>2010</u>	<u>30</u> <u>September</u> <u>2011</u>	<u>30</u> <u>September</u> <u>2010</u>
Profit attributable to equity holders of the Company (RM'000)	71,302	91,148	200,459	214,825
Weighted average number of ordinary shares in issue ('000)	849,695	849,695	849,695	849,695
Basic and diluted earnings per shares (sen)	8.4	10.7	23.6	25.3

The basic and diluted earnings per share are the same as the Company has no dilutive potential ordinary shares.

B15. Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 September 2011, into realised and unrealised profits, is as follows:

	As at 30 September 2011 RM'000	As at 30 June 2011 RM'000
Total retained profits of the Group:		
- realised	1,400,275	1,400,695
- unrealised	(148,065)	(157,675)
	<u>1,252,210</u>	<u>1,243,020</u>
Total retained profits from associate:		
- realised	21,896	18,528
	<u>1,274,106</u>	<u>1,261,548</u>
Less: Consolidation adjustments	(235,239)	(226,007)
Total retained profits as per statement of financial position	<u>1,038,867</u>	<u>1,035,541</u>

Dated: 22 November 2011
Petaling Jaya, Selangor Darul Ehsan.