LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
	RM'000	RM'000	RM'000	RM'000
Revenue	**537,161**	**420,202**	**1,013,229**	**838,355**
Operating expenses	(421,863)	(418,931)	(834,903)	(808,189)
Depreciation	(41,867)	(42,258)	(83,502)	(84,512)
Other operating income/(expenses)	290	7,793	2,575	6,099
Investment income	708	233	1,397	435
Interest income	669	423	1,262	1,105
Profit/(Loss) from operations	**75,098**	**(32,538)**	**100,058**	**(46,707)**
Finance cost	(6,663)	(6,554)	(12,515)	(13,803)
Share of results of associates	(465)	(106)	(722)	(195)
Profit/(Loss) before tax	**67,970**	**(39,198)**	**86,821**	**(60,705)**
Taxation	(17,629)	12,437	(23,186)	20,511
Profit/(Loss) for the period	**50,341**	**(26,761)**	**63,635**	**(40,194)**
Profit/(Loss) attributable to:				
Equity holders of the parent	49,969	(26,948)	63,340	(40,770)
Minority interest	372	187	295	576
	50,341	**(26,761)**	**63,635**	**(40,194)**
Basic and diluted earnings per share (sen)	1.8	(0.9)	2.2	(1.4)

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31st December 2005 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30/6/2006 RM'000	As at 31/12/2005 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		2,214,753	2,282,597
Investment property		4,920	4,946
Goodwill on consolidation		1,188,922	1,188,922
Other intangible assets		2,394	989
Investment in associates		4,233	-
Other investments		1,944	2,000
Deferred tax assets		71,115	102,608
		3,488,281	3,582,062
Current assets			
Assets classified as held for sale		666	-
Inventories		338,918	305,698
Trade receivables		333,614	327,864
Other receivables		101,449	104,451
Term deposits		29,990	33,463
Cash and bank balances		94,528	88,956
		899,165	860,432
Total assets		**4,387,446**	**4,442,494**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital - ordinary shares of RM0.50 each		1,449,298	1,449,298
Treasury shares		(46,819)	(30,918)
Reserves:			
Share premium		1,114,291	1,114,291
Capital reserves		33,968	33,968
Exchange equalisation reserves		36,053	32,934
Capital redemption reserves		159	159
Retained earnings		575,952	569,276
Equity attributable to equity holders of the parent		3,162,902	3,169,008
Minority interests		36,540	36,610
Total equity		3,199,442	3,205,618
Non-current liabilities			
Long-term borrowings	B9	250,000	250,000
Provision for retirement benefits		32,194	29,880
Deferred tax liabilities		288,464	296,413
		570,658	576,293

Forward

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30/6/2006 RM'000	As at 31/12/2005 RM'000 (Restated)
Current liabilities			
Trade payables		226,195	235,682
Other payables and accruals		90,527	96,434
Amount due to holding and related companies		806	2,120
Short-term borrowings	B9	290,694	318,598
Tax liabilities		9,124	7,749
		617,346	660,583
Total liabilities		1,188,004	1,236,876
Total equity and liabilities		**4,387,446**	**4,442,494**
Net assets per share (RM)		1.13	1.11
Net tangible assets per share (RM)		0.71	0.70

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31st December 2005 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date 30/6/2006 RM'000	**Preceding Year To Date 30/6/2005 RM'000**
Cash Flows From Operating Activities		
Net Profit/(Loss) before tax	86,821	(60,705)
Adjustments for:-		
Non-cash items	89,879	81,755
Non-operating items	11,235	12,677
Operating profit before changes in working capital	187,935	33,727
Changes in working capital		
Net change in current assets	(32,270)	2,299
Net change in current liabilities	(17,836)	(17,572)
Retirement benefits paid	(571)	(1,154)
Tax paid	(2,989)	(3,790)
Net cash generated from operating activities	134,269	13,510
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(14,792)	(22,733)
Proceeds from disposal of property, plant and equipment	1,579	508
Proceeds from disposal of quoted shares	49	-
Additional purchase consideration paid for a subsidiary acquired in prior years	-	(5,470)
Purchase of additional equity interests in existing subsidiaries	-	(492)
Purchase of quarry rights	(1,500)	-
Proceeds from disposal of an associate	-	21,105
Acquisition of investment in an associate	(4,553)	-
Other investment activities	1,280	1,120
Net cash used in investing activities	(17,937)	(5,962)
Cash Flows From Financing Activities		
Share buy-back	(17,340)	-
Net repayment of borrowings	(24,306)	(136)
Dividend paid by subsidiaries to minority shareholders	(263)	(2,244)
Dividend paid	(56,664)	(57,016)
Interest paid	(12,683)	(15,935)
Net cash used in financing activities	(111,256)	(75,331)
Net Change in Cash & Cash Equivalents	5,076	(67,783)
Effects of currency translations	621	(725)
Cash & Cash Equivalents at beginning of the period	118,821	140,600
Cash & Cash Equivalents at end of the period	124,518	72,092

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31st December 2005 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent									
			Non-distributable				Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Capital Reserve RM'000	Exchange Equalisation Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 January 2006	1,449,298	(30,918)	1,114,291	33,968	32,934	159	569,276	3,169,008	-	3,169,008
Reclassification of opening minority interest	-	-	-	-	-	-	-	-	36,610	36,610
As restated	1,449,298	(30,918)	1,114,291	33,968	32,934	159	569,276	3,169,008	36,610	3,205,618
Exchange differences on translation of foreign operations	-	-	-	-	3,119	-	-	3,119	(102)	3,017
Net income/(expense) recognised directly in equity	-	-	-	-	3,119	-	-	3,119	(102)	3,017
Profit/(loss) for the period	-	-	-	-	-	-	63,340	63,340	295	63,635
Total recognised income/(expense) for the period	-	-	-	-	3,119	-	63,340	66,459	193	66,652
Share buy-back	-	(15,901)	-	-	-	-	-	(15,901)	-	(15,901)
Dividends	-	-	-	-	-	-	(56,664)	(56,664)	(263)	(56,927)
As at 30 June 2006	1,449,298	(46,819)	1,114,291	33,968	36,053	159	575,952	3,162,902	36,540	3,199,442

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31st December 2005 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent									
			Non-distributable				Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Capital Reserve RM'000	Exchange Equalisation Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 January 2005	1,449,298	(17,271)	1,114,291	33,968	34,918	159	596,500	3,211,863	-	3,211,863
Reclassification of opening minority interest	-	-	-	-	-	-	-	-	36,820	36,820
As restated	1,449,298	(17,271)	1,114,291	33,968	34,918	159	596,500	3,211,863	36,820	3,248,683
Exchange differences on translation of foreign operations	-	-	-	-	(2,779)	-	-	(2,779)	571	(2,208)
Net income/(expense) recognised directly in equity	-	-	-	-	(2,779)	-	-	(2,779)	571	(2,208)
Profit/(loss) for the period	-	-	-	-	-	-	(40,770)	(40,770)	576	(40,194)
Total recognised income/(expense) for the period	-	-	-	-	(2,779)	-	(40,770)	(43,549)	1,147	(42,402)
Dividends	-	-	-	-	-	-	(57,016)	(57,016)	(2,244)	(59,260)
As at 30 June 2005	1,449,298	(17,271)	1,114,291	33,968	32,139	159	498,714	3,111,298	35,723	3,147,021

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31st December 2005 and the accompanying explanatory notes attached to the interim financial statements)

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” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2005. 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 2005.

The Group has adopted all of the new and revised Financial Reporting Standards and Interpretations (herein thereafter referred as FRSs) issued by The Malaysian Accounting Standards Board (MASB) that are effective for accounting periods beginning on or after 1 January 2006. The adoption of these new and revised FRSs has resulted in changes to the Group’s accounting policies as disclosed in Note A2.

The Group has not elected for early adoption of the following FRSs which were in issue but not yet effective at the date of issue of these interim financial statements:

FRS 117 Leases
FRS 124 Related Party Disclosures
FRS 139 Financial Instruments: Recognition and Measurement

Except as explained in the foregoing paragraph and disclosed under Note A2, the accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2005.

A2. Changes in accounting policies resulting from adoption of new and revised FRSs

The changes in accounting policies resulting from the adoption of the new and revised FRSs are as follows:

(a) FRS 2: Share-based Payment

This FRS requires an entity to recognise share-based payment transactions in its financial statements.

On 12 February 2001, the Company implemented an Employees’ Share Option Scheme (“ESOS”) under which options to subscribe for unissued new ordinary shares of RM0.50 each were granted to eligible Directors and employees of the Company and its subsidiaries. The ESOS is for a period of five calendar years and the exercise of the option is conditional upon the achievement of an earnings per share target ("EPS target") determined by the Board Options Committee. The ESOS expired on 29 January 2006 and accordingly, all options offered had lapsed and all rights and entitlements granted thereon had been cancelled and become null and void.

Prior to the adoption of FRS 2, the Group did not recognise these share options granted in its financial statements. With the adoption of FRS 2, the compensation expense relating to share options is required to be recognised in income statement over the vesting periods of the grants with a corresponding increase in equity. Under the transitional provisions of FRS 2, this FRS shall be applied retrospectively to share options that were granted after 31 December 2004 and had not yet vested on 1 January 2006.

The Company had granted 1,627,000 options after 31 December 2004. As the EPS target had not been achieved, none of these options became exercisable either on 1 January 2006 when this FRS became effective or on 29 January 2006 when the ESOS expired. Accordingly, no adjustments are made to the opening balance of retained earning as at 1 January 2006.

Details of the ESOS can be found in the Company's annual report for the year ended 31 December 2005.

(b) FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

The Group adopted FRS 5 prospectively from 1 January 2006. Any assets held for sale are recognised and measured in accordance with FRS 5 only from 1 January 2006.

(c) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, investment property, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interest is now presented within equity and investment property is presented separately from other assets. In the consolidated income statement, profit or loss attributable to minority interest is presented as an allocation of profit or loss for the period. In the consolidated statement of changes in equity, total recognised income and expenses for the period is presented, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period’s presentation of the Group’s interim financial statements is based on the requirements of the revised FRS 101, with the comparatives restated to conform with the current period’s presentation and includes the following reclassifications:

	As Previously Reported RM’000	Reclassification RM’000	As Restated RM’000
Property, Plant and Equipment	2,284,443	(1,846)	2,282,597
Other Investments	5,100	(3,100)	2,000
Investment Property	-	4,946	4,946

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

For the current financial period ended 30 June 2006, the Company has purchased a total of 24,271,000 ordinary shares of its issued share capital from the open market for a total consideration of RM15.9 million at an average cost of RM0.66 per share. The share buy-back transaction was financed by internally generated funds. All the shares bought back were retained as treasury shares. There was no resale or cancellation of treasury shares.

Details of the share buy-back are as follows:

Month	**Number of Shares Purchased**	**Highest Price Paid per Share RM**	**Lowest Price Paid per Share RM**	**Average Price Paid per Share RM**	**Total Amount Paid RM'000**
January 2006	16,642,900	0.63	0.61	0.62	10,426
March 2006	7,117,100	0.73	0.71	0.72	5,158
June 2006	511,000	0.62	0.62	0.62	318

Save as disclosed above, there were no other 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. Dividend Paid

An interim dividend of 2.0 sen or 4.0% tax exempt per ordinary share, amounting to RM56.7 million declared on the ordinary shares of RM0.50 each in respect of the financial year ended 31 December 2005 was paid on 4 May 2006.

A9. Segmental Information

Analysis of the Group’s segmental revenue and results is as follows:

	6 months ended 30 June			
	Revenue		Profit/(loss)	
	2006 RM’000	2005 RM’000	2006 RM’000	2005 RM’000
Cement & Clinker	718,328	568,642	96,314	(55,959)
Ready-mixed concrete & Aggregates	216,588	226,767	(4,273)	92
Other building materials	115,023	101,631	1,858	1,969
Other operations	33,281	40,432	4,897	6,086
	1,083,220	937,472	98,796	(47,812)
Inter-segment elimination	(69,991)	(99,117)	-	-
Interest income	-	-	1,262	1,105
Total Revenue/Profit/(Loss) from operations	1,013,229	838,355	100,058	(46,707)
Finance cost			(12,515)	(13,803)
Share of results of associates			(722)	(195)
Profit/(Loss) before tax			86,821	(60,705)
Taxation			(23,186)	20,511
Profit/(Loss) for the period			63,635	(40,194)

A10. 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.

A11. Material Events Subsequent to Quarter End

There were no material events subsequent to the current financial quarter 30 June 2006 up to the date of this report which are likely to substantially affect the results of the operations of the Group.

A12. Changes in Group Composition

On 6 December 2005, the Company proposed to acquire and transfer the entire 100% interest in the issued and paid up share capital of Jumewah Shipping Sdn Bhd (“JSSB”), comprising 40,000,000 issued and paid-up ordinary shares held through its wholly owned subsidiary, Kedah Cement Holdings Bhd to itself at a consideration of RM71,501,710. Upon completion of the above transfer, the Company will hold directly 100% of the issued and paid up share capital of JSSB. The said exercise is undertaken to simplify the Group's corporate structure and has no impact on the net tangible assets and earnings of the Group.

A13. Contingent Liabilities

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

A14. Commitments

Outstanding commitments in respect of capital expenditure at balance sheet date not provided for in the financial statements are as follows:

	As at 30/6/2006 RM'000
Approved and contracted for	21,724
Approved but not contracted for	65,648
	87,372

A15. 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
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.
Lafarge Asia Sdn Bhd	Subsidiary of Lafarge S.A.
Lafarge Roofing Tiles Sdn Bhd	Subsidiary of Lafarge S.A.
Lafarge Roofing Systems Sdn Bhd	Subsidiary of Lafarge S.A.
Lafarge Tiles (Pahang) Sdn Bhd	Subsidiary of Lafarge S.A.
Marine Cement Ltd	Subsidiary of Lafarge S.A.
PT Semen Andalas Indonesia	Subsidiary of Lafarge S.A.

Description of Transactions	Current Year to Date 30/6/2006 RM'000
Provision of trademark licence and general assistance fees payable to Lafarge S.A.	12,027
Specific technical assistance fee charged by Lafarge S.A.	204
Sales of cement and clinker to Cementia Trading AG	93,643
Sales of cement to Marine Cement Ltd	23,350
Sales of cement to Lafarge Tiles (Pahang) Sdn Bhd	1,309
Sales of cement to Lafarge Roofing Tiles Sdn Bhd	11,048
Time charter hire of vessels to Cement Shipping Company Ltd	8,418
Sub-charter of vessels to PT Semen Andalas Indonesia	4,682
Services for export sales by Cementia Asia Sdn Bhd	1,031
Purchase of cement and clinker from Cementia Trading AG	27,531
Purchase of building materials for resale from Lafarge Roofing Systems Sdn Bhd	4,672
Rental of office premises to Lafarge Asia Sdn Bhd	377
Rental of office premises to Cementia Asia Sdn Bhd	38
Maintenance of hardware and software by Lafarge Asia Sdn Bhd	811

The Directors are of the opinion that the 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 license and general assistance, Lafarge has the specialised expertise, technical competencies and/or facilities and infrastructure required for the provision of such services.

A15. Related Party Transactions (Continued)

Furthermore, the centralisation of these services within the Lafarge Group helps to develop specialised expertise for use by relevant members of the Lafarge Group and generate savings from the economies of scale for all recipient companies.

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

B1. Review of Group's Performance

Current Quarter

The Group registered a profit before tax for the current quarter of RM68.0 million compared to a loss before tax of RM39.2 million in the corresponding quarter last year. The favourable result is mainly due to the recovery in domestic cement selling prices from the low level during the intense price war in the corresponding quarter in 2005 as well as higher export prices, offset by higher electricity tariff effective from 1 June 2006, longer scheduled plant shutdown for maintenance and non-recurrence of some non-operating income in 2005.

Current Year To Date

Group profit before tax for the current year to date was RM86.8 million, compared to a loss before tax of RM60.7 million in the corresponding period last year. This is mainly attributed to the recovery in domestic cement selling prices from the low level during the intense price war in the first half of 2005 and higher export prices, offset by higher raw material costs, timing of scheduled plant maintenance, higher electricity tariff effective from 1 June 2006 and non-recurrence of some non-operating income in 2005.

B2. Comparison with Preceding Quarter

	Current Quarter 30/6/2006 RM'000	Preceding Quarter 31/3/2006 RM'000
Revenue	537,161	476,068
Profit before tax	67,970	18,851

Revenue was higher than the preceding quarter as domestic sales in the preceding quarter was affected by lower construction activities due to the festive season. Export sales were also lower in the preceding quarter as a result of lower production which was attributed to the scheduled plant maintenance. In line with the higher revenue, higher production output and lower costs of plant maintenance during the current quarter, the Group profit before tax was higher at RM68.0 million compared to RM18.9 million in the preceding quarter.

B3. Current Year Prospects

On the basis of the performance to date and notwithstanding the more competitive ready-mixed concrete business in Malaysia, the Board is confident of a better year for the Group in 2006. However, significant cost increases, mainly coal, electricity and transport remain a concern and the industry is taking up the matter with the Government for a review of cement prices.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 30 June 2006.

B5. Taxation

Taxation comprises the following:

	Current Year Quarter 30/6/2006 RM'000	Current Year to Date 30/6/2006 RM'000
In respect of current period:		
- income tax (charge)/credit	(439)	174
- deferred tax (charge)/credit	(17,190)	(23,360)
	(17,629)	(23,186)

The Group effective tax rate for the current year quarter and current year to date is lower than the statutory tax rate of 28% in Malaysia mainly due to the tax credit refundable from Singapore tax authorities and some tax exempt income, offset by the non-availability of group tax relief for losses in certain subsidiaries and certain expenses not deductible for tax purposes.

B6. Unquoted Investments and/or Properties

There was no disposal of unquoted investments and properties.

B7. Quoted Securities

a) Disposal of quoted securities during the quarter under review are as follows:-

	Current Year Quarter 30/6/2006 RM'000	Current Year to Date 30/6/2006 RM'000
Sales proceeds	-	49
Cost of investment	-	55
Loss on disposal	-	(6)

b) Investment in quoted securities as at 30 June 2006 is as follows:

	RM'000
At cost	958
Less: Allowance for diminution in value	(504)
At book value	454
At market value	465

B8. Status of Corporate Proposals

Proposed Special Issue to Bumiputera Investors

The Company has been given an extension of time until 30 June 2007 by the Foreign Investment Committee and the Securities Commission to implement the remainder Proposed Special Issue of up to 552,228,461 ordinary shares to Bumiputera investors to be approved by the Ministry of International Trade and Industry.

B9. Group Borrowings

Total Group borrowings (unsecured) as at 30 June 2006 are as follows:

	RM'000
Long-term borrowings (unsecured)	
Term Unsecured Loan incorporating preference shares	250,000
Short-term borrowings (unsecured)	
Term Unsecured Loan incorporating preference shares	250,000
Bankers acceptance	20,000
Commercial papers	20,000
Revolving credit	694
	290,694
Total Group borrowings (unsecured)	540,694

The currency exposure profile of borrowings is as follows:

	RM'000
Ringgit Malaysia	540,000
US Dollar	694
	540,694

B10. Off Balance Sheet Financial Instruments

As of 16 August 2006, the forward foreign exchange contracts which have been entered into by the Group are as follows:-

Forward Contracts Purchased

Currency	Contract Amount (FC'000)	Date of Contract	Value Date of Contract	Equivalent Amount (RM'000)
EURO	2,041	7 June 2006 to 15 August 2006	22 August 2006 to 21 November 2006	9,540

Forward Contracts Sold

Currency	Contract Amount (FC'000)	Date of Contract	Value Date of Contract	Equivalent Amount (RM'000)
USD	10,650	29 December 2005 to 14 August 2006	18 August 2006 to 16 February 2007	38,426

B10. Off Balance Sheet Financial Instruments (Continued)

The Group does not foresee any significant credit and market risks associated with the above forward exchange contracts as they are entered into with approved financial institutions in line with the Group's policy.

B11. Material Litigation

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

B12. Dividend

No dividend has been declared for the current quarter ended 30 June 2006.

B13. Earnings per share

Earnings per share is calculated as follows:

	Current Year Quarter	**Preceding Year Corresponding Quarter**	**Current Year To Date**	**Preceding Year Corresponding Period**
Profit/(Loss) attributable to equity holders of the parent (RM'000)	49,969	(26,948)	63,340	(40,770)
Weighted average number of ordinary shares in issue* ('000)	2,833,196	2,879,575	2,839,528	2,879,575
Basic and diluted earnings per shares (sen)	**1.8**	**(0.9)**	**2.2**	**(1.4)**

*net of treasury shares.

Dated: 23 August 2006
Petaling Jaya, Selangor Darul Ehsan.