

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

	Quarter Ended		9 Months Ended	
	30 September 2008 RM'000	30 September 2007 RM'000 (Restated)	30 September 2008 RM'000	30 September 2007 RM'000 (Restated)
Revenue	699,158	581,284	1,889,383	1,631,052
Operating expenses	(517,060)	(430,794)	(1,489,203)	(1,260,569)
Depreciation and amortisation	(43,215)	(42,234)	(127,424)	(125,085)
Other income/(expenses)	370	(8,027)	1,859	(7,331)
Investment income	1,936	1,832	5,605	5,710
Interest income	859	1,193	2,410	3,158
Profit from operations	142,048	103,254	282,630	246,935
Finance cost	(7,928)	(3,218)	(19,977)	(11,095)
Share of results of associates	940	4,824	5,693	10,202
Profit before tax	135,060	104,860	268,346	246,042
Taxation	(9,762)	(20,334)	(19,891)	(48,150)
Profit for the period	125,298	84,526	248,455	197,892
Profit/(Loss) attributable to:				
Equity holders of the Company	124,503	85,701	248,554	199,085
Minority interest	795	(1,175)	(99)	(1,193)
	125,298	84,526	248,455	197,892
Basic and diluted earnings per share (sen)	14.7	6.1	29.3	14.1

(Basic earnings per share for preceding year corresponding quarter and preceding year have been adjusted for the effect of share consolidation during the preceding financial year.)

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31st December 2007 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 September 2008 RM'000	As at 31 December 2007 RM'000 (Restated)
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	1,939,238	1,999,403
Investment property	4,409	4,486
Prepaid lease payments on leasehold land	115,064	119,496
Goodwill on consolidation	1,198,481	1,188,430
Other intangible assets	24,847	2,045
Investment in associates	18,525	14,494
Other investments	2,197	2,250
Deferred tax assets	4,858	5,623
	<u>3,307,619</u>	<u>3,336,227</u>
<u>Current assets</u>		
Assets classified as held for sale	224	224
Inventories	371,937	353,278
Trade receivables	382,526	335,913
Other receivables	74,094	66,976
Term deposits	6,552	46,673
Cash and bank balances	235,615	115,547
	<u>1,070,948</u>	<u>918,611</u>
Total assets	4,378,567	4,254,838
EQUITY AND LIABILITIES		
<u>Capital and reserves</u>		
Share capital	849,695	849,695
Reserves:		
Share premium	1,067,199	1,067,199
Capital reserves	33,968	33,968
Exchange equalisation reserves	41,560	34,762
Capital redemption reserves	33,798	33,798
Retained earnings	1,012,061	889,262
Equity attributable to equity holders of the Company	<u>3,038,281</u>	<u>2,908,684</u>
Minority interests	26,112	26,211
Total equity	<u>3,064,393</u>	<u>2,934,895</u>

Forward

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 September 2008 RM'000	As at 31 December 2007 RM'000 (Restated)
<u>Non-current liabilities</u>			
Borrowings	B9	359,975	7,182
Retirement benefits		38,922	36,128
Deferred tax liabilities		270,721	262,257
		<u>669,618</u>	<u>305,567</u>
<u>Current liabilities</u>			
Trade payables		257,750	267,151
Other payables and accrued expenses		117,319	101,250
Amount due to holding and related companies		8,277	10,713
Borrowings	B9	253,860	628,002
Tax liabilities		7,350	7,260
		<u>644,556</u>	<u>1,014,376</u>
Total liabilities		<u>1,314,174</u>	<u>1,319,943</u>
Total equity and liabilities		<u>4,378,567</u>	<u>4,254,838</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>3.58</u>	<u>3.42</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31st December 2007 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 Company →							Minority Interest	Total Equity
	← Non-distributable →				Distributable				
	Share Capital	Share Premium	Capital Reserve	Exchange Equalisation Reserve	Capital Redemption Reserve	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As of 1 January 2008									
As previously reported	849,695	1,067,199	33,968	34,762	33,798	889,468	2,908,890	26,338	2,935,228
Effect of change in accounting policies	-	-	-	-	-	(206)	(206)	(127)	(333)
As restated	849,695	1,067,199	33,968	34,762	33,798	889,262	2,908,684	26,211	2,934,895
Exchange differences on translation of foreign operations	-	-	-	6,798	-	-	6,798	-	6,798
Net income recognised directly in equity	-	-	-	6,798	-	-	6,798	-	6,798
Profit/(Loss) for the period	-	-	-	-	-	248,554	248,554	(99)	248,455
Total recognised income/(expense) for the period	-	-	-	6,798	-	248,554	255,352	(99)	255,253
Dividends	-	-	-	-	-	(125,755)	(125,755)	-	(125,755)
As of 30 September 2008	849,695	1,067,199	33,968	41,560	33,798	1,012,061	3,038,281	26,112	3,064,393

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31st December 2007 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 Company →									
	← 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 of 1 January 2007										
As previously reported	1,416,159	- #	1,067,199	33,968	34,689	33,548	686,942	3,272,505	29,993	3,302,498
Effect of change in accounting policies	-	-	-	-	-	-	(337)	(337)	(208)	(545)
As restated	1,416,159	- #	1,067,199	33,968	34,689	33,548	686,605	3,272,168	29,785	3,301,953
Exchange differences on translation of foreign operations	-	-	-	-	(474)	-	-	(474)	-	(474)
Net income recognised directly in equity	-	-	-	-	(474)	-	-	(474)	-	(474)
Profit/(Loss) for the period	-	-	-	-	-	-	199,085	199,085	(1,193)	197,892
Total recognised income/ (expense) for the period	-	-	-	-	(474)	-	199,085	198,611	(1,193)	197,418
Redemption of preference shares	-	-	-	-	-	250	(250)	-	-	-
Dividends	-	-	-	-	-	-	(84,970)	(84,970)	-	(84,970)
As of 30 September 2007	1,416,159	- #	1,067,199	33,968	34,215	33,798	800,470	3,385,809	28,592	3,414,401

comprising treasury shares amounting to RM121

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31st December 2007 and the accompanying explanatory notes attached to the interim financial statements)

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

	9 Months Ended	
	30 September 2008	30 September 2007
	RM'000	RM'000 (Restated)
<u>Cash Flows From Operating Activities</u>		
Profit before tax	268,346	246,042
Adjustments for:-		
Non-cash items	127,700	133,259
Non-operating items	17,557	7,762
Operating profit before changes in working capital	413,603	387,063
<u>Changes in working capital</u>		
Net change in current assets	(63,618)	(41,562)
Net change in current liabilities	7,541	(3,861)
Retirement benefits paid	(2,148)	(1,848)
Tax paid	(12,135)	(8,803)
Net cash generated from operating activities	343,243	330,989
<u>Cash Flows From Investing Activities</u>		
Purchase of property, plant and equipment	(62,288)	(44,566)
Proceeds from disposal of property, plant and equipment	1,702	2,776
Proceeds from disposal of quoted shares	8	711
Payments for prepaid lease payments	(159)	-
Acquisition of a subsidiary	(34,254)	-
Other investment activities	3,764	3,328
Net cash used in investing activities	(91,227)	(37,751)
<u>Cash Flows From Financing Activities</u>		
Net repayment of borrowings	(25,000)	(185,000)
Dividend paid	(125,755)	(84,970)
Interest paid	(21,504)	(15,288)
Net cash used in financing activities	(172,259)	(285,258)
Net Change in Cash and Cash Equivalents	79,757	7,980
Effects of currency translations	190	422
Cash and Cash Equivalents at beginning of the year	162,220	155,041
Cash and Cash Equivalents at end of the period	242,167	163,443

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31st December 2007 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” 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 2007. 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 2007.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007, except that the Group had adopted the new/revised standards mandatory for annual periods beginning on or after 1 January 2008, which are as below:

FRS 107 : Cash Flow Statements

FRS 112 : Income Taxes

FRS 118 : Revenue

FRS 119 : Employee Benefits

Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

FRS 126 : Accounting and Reporting by Retirement Benefit Plan

FRS 134 : Interim Financial Reporting

FRS 137 : Provisions, Contingent Liabilities and Contingent Assets

The adoption of these new/revised standards and interpretation does not result in significant changes in accounting policies of the Group.

As at the date of this report, the Group has not applied the new standard FRS 139 Financial Instruments: Recognition and Measurement which has been issued by the Malaysian Accounting Standards Board, but is not yet effective as the Malaysian Accounting Standards Board has yet to determine the effective date. It is expected that there will be no material impact on the financial statements when the Group applies this new standard.

Except as 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 2007.

A2. Restatement of comparatives

The current period's presentation of the Group's interim financial statements is restated to conform to the Group accounting policies adopted by the ultimate holding company, Lafarge S.A. Accordingly, the comparatives had been restated as shown below to conform to the current period's presentation:

	Quarter Ended 30 September 2007		9 Months Ended 30 September 2007	
	As restated RM'000	As previously reported RM'000	As restated RM'000	As previously reported RM'000
Income Statement				
Depreciation and amortisation	(42,234)	(41,160)	(125,085)	(122,009)
Investment income	1,832	595	5,710	2,154
Interest income	1,193	1,251	3,158	3,309
Profit before tax	104,860	104,755	246,042	245,713
Profit for the period	84,526	84,421	197,892	197,563
Balance Sheet				
Property, plant and equipment			1,999,403	1,981,988
Other receivables (Non-current)			-	9,407
Other receivables (Current)			66,976	75,317
Minority interests as of 1 January 2007			29,785	29,993
Minority interests as of 31 December 2007			26,211	26,338
Retained earnings as of 1 January 2007			686,605	686,942
Retained earnings as of 31 December 2007			889,262	889,468

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. Dividend Paid

Dividends paid during the current financial year are as follows:

	RM'000
Interim dividend paid on 6 May 2008 for the year ended 31 December 2007 - 20 sen less 26% tax per ordinary share of RM1.00 each	125,755
Interim dividend paid on 15 October 2008 for the year ended 31 December 2008 - 15 sen single-tier exempt dividend per ordinary share of RM1.00 each	127,454
	<u>253,209</u>

A9. Segmental Information

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

	9 Months Ended 30 September			
	Revenue		Profit/(Loss)	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
				(Restated)
Cement and clinker	1,441,533	1,164,268	263,151	239,837
Other building materials & operations	589,003	612,428	17,069	3,940
	<u>2,030,536</u>	<u>1,776,696</u>	<u>280,220</u>	<u>243,777</u>
Inter-segment elimination	(141,153)	(145,644)	-	-
Interest income	-	-	2,410	3,158
Total Revenue/Profit from operations	<u>1,889,383</u>	<u>1,631,052</u>	<u>282,630</u>	<u>246,935</u>
Finance cost			(19,977)	(11,095)
Share of results of associates			5,693	10,202
Profit before tax			<u>268,346</u>	<u>246,042</u>
Taxation			(19,891)	(48,150)
Profit for the period			<u>248,455</u>	<u>197,892</u>

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

The Company announced on 6 October 2008 that further to its announcement on 9 April 2008, its wholly owned subsidiary, LMCB Holding Pte Ltd (“LMCBH”) in Singapore received from the Inland Revenue of Authority Singapore (“IRAS”) the Notices of Refusal to Amend dated 29 September 2008 for Years of Assessment 2004 to 2007.

The IRAS had also appointed Standard Chartered Bank Singapore as its agent for the collection of the sum of Singapore Dollars (S\$)10,083,772.44 (equivalent to RM24,091,141 at prevailing exchange rate) from any moneys held in the accounts of LMCBH. This sum consists of the tax refund previously received by LMCBH amounting to S\$9,592,577.76 (RM22,917,628), late payment penalty of S\$479,628.88 (RM1,145,881) and tax payable for the Year of Assessment 2007 of S\$11,565.80 (RM27,632).

Based on professional advice received, LMCBH should not be liable to refund the sum nor pay any penalty and is therefore challenging the validity and basis of the assessment for which Notices of Refusals to Amend were issued. LMCBH filed the Notices of Appeal on 2 October 2008 and the Petition of Appeal on 31 October 2008 with the Income Tax Board of Review.

Save as disclosed above, there were no other material events subsequent to the current financial quarter 30 September 2008 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

Further to the announcements made on 11 January 2008, 21 March 2008 and 4 June 2008 in respect of the (“Proposed Acquisition”) of Laksana Murni Sdn. Bhd. (“LMSB”), the company announced on 1 July 2008 that its wholly owned subsidiary, Lafarge Aggregates Sdn. Bhd. has completed its acquisition of 100% equity interest in LMSB on 1 July 2008.

The acquisition has no effect on the Company’s share capital. It will also have no material effect on the net tangible assets and earning per share of the Group for the financial year ending 31 December 2008 but is expected to have a positive impact on the future 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 commitments at balance sheet date not provided for in the financial statements are as follows:

	As at 30 September 2008 RM’000
In respect of capital expenditure:	
Approved and contracted for	11,284
Approved but not contracted for	63,431
	<hr/>
	74,715
	<hr/>

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
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.
Lafarge Asia Sdn Bhd	Subsidiary of Lafarge S.A.
Lafarge Asia Pacific Pte Ltd	Subsidiary of Lafarge S.A.
LGBA Trading (Singapore) Pte Ltd	Subsidiary of Lafarge S.A.
Marine Cement Ltd	Subsidiary of Lafarge S.A.
PT Semen Andalas Indonesia	Subsidiary of Lafarge S.A.
Monier Sdn Bhd	Associate of Lafarge S.A.
Lafarge Roofing Tiles Sdn Bhd	Associate of Lafarge S.A.
Lafarge Tiles (Pahang) Sdn Bhd	Associate of Lafarge S.A.

The related party transactions during the 9 months ended 30 September 2008 are as follows:

Description of Transactions	9 Months Ended 30 September 2008 RM'000
Ultimate holding company of the Company:	
Sale of 120,000 CERs ("Certified Emission Reductions") – Note	11,817
Provision of trademark licence and general assistance fee	23,436
Insurance brokerage fee	107
Associate of the Group:	
Sales of cement and ready-mixed concrete	48,781
Subsidiaries of ultimate holding company of the Company:	
Sales of cement and clinker	228,205
Purchase of cement and clinker	28,294
Time charter hire/Sub-charter of vessels	2,808
Services for export sales	2,353
Maintenance of hardware and software	1,569
Purchase of gypsum	993
Rental income of office premises	715
Associate of ultimate holding company of the Company:	
Sales of cement	21,417
Purchase of building materials for resale	11,256

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 license and general assistance, Lafarge S.A has the specialised expertise, technical competencies and/or facilities and infrastructure required for the provision of such services.

Note:

On 23 September 2008, the Company announced the sale of 120,000 CERs (“Certified Emission Reductions”) by its wholly owned subsidiary, Associated Pan Malaysia Cement Sdn Bhd (“APMC”) to its ultimate holding company, Lafarge S.A. at a price of €20.00 per CERs and on 15 October 2008, the Company announced the sale of a further 120,000 CERs at the same consideration of €20.00 per CER. Total gains on the sale of the 240,000 CERs amounted to approximately RM22 million at prevailing exchange rates.

The gain on the sale of 120,000 CERs in September 2008 amounting to approximately RM11 million has not been recognised in the income statement for the quarter and the 9 months ended 30 September 2008 as delivery of the 120,000 CERs will only take place in December 2008.

The CERs generated by APMC were issued under the Clean Development Mechanism (“CDM”) of the United Nations Framework Convention on Climate Change and the Kyoto Protocol and pursuant to the cooperation between the Company and Lafarge S.A. for the development of a CDM project on “Replacement of Fossil Fuel by Palm Kernel Shell Biomass in the production of Portland cement” (“Project”). Total CERs issued under this Project in respect of the CO₂ emission reductions for the first monitoring period from 1 May 2000 to 31 December 2005 amounted to 358,935 CERs. Following the sale of 240,000 CERs, the remaining CERs that have yet to be sold amount to 118,935 CERs.

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

B1. Review of Group's Performance

Current Quarter

Revenue in the current quarter rose by 20% compared to the corresponding quarter in year 2007 mainly due to better cement selling prices (domestic and export) and higher cement export. Selling prices were revised to compensate for the significant increases in production costs brought about by steep increases in prices of coal, diesel and electricity. Group pre-tax profit of RM135 million for the current quarter is 28% higher compared to RM105 million in the corresponding quarter last year mainly due to higher revenue, lower maintenance costs, improved plant performance and better results in the Singapore cement operations arising from the active construction sector.

Current Year To Date

The Group's revenue for 9 months ended 30 September 2008 was RM1,889 million, an increase of 16% compared to the corresponding period last year, mainly due to higher domestic cement sales and selling prices. In tandem with the increase in revenue, the Group registered a pre-tax profit of RM268 million, higher by 9% than the previous corresponding period. The favourable results are also attributable to better plant performance and better results from the Singapore cement operations.

B2. Comparison with Preceding Quarter

	3rd Quarter Ended 30 September 2008 RM'000	2nd Quarter Ended 30 June 2008 RM'000
Revenue	699,158	630,618
Profit before tax	135,060	66,993

Revenue was higher in the current quarter by 11% despite lower domestic cement demand mainly due to higher cement exports and clinker sales and the cement price increase in June 2008 (full impact in current quarter) and a further increase in August 2008. Consequently and aided by lower plant maintenance costs during the current quarter (timing of scheduled maintenance), Group pre-tax profit doubled compared to the preceding quarter.

B3. Current Year Prospects

Cement demand growth in Malaysia was strong in the first half year but growth declined in the 3rd quarter due to a slow down in construction activities. Cement demand in the second half year is likely to be flat with downside risk. The lower domestic cement sales in the second half year should be mitigated by higher export sales. In Singapore, construction activities are expected to remain healthy due to the various on-going projects despite a contraction in the general economy. Against the above background and with better plant performance, more proactive management of cost increases and based on the results achieved to date, the Board is optimistic of achieving better results in 2008.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 30 September 2008

B5. Taxation

Taxation comprises the following:

	Quarter Ended 30 September 2008 RM'000	9 Months Ended 30 September 2008 RM'000
In respect of current period:		
- income tax (charge)/credit	(5,497)	(11,437)
- deferred tax (charge)/credit	(4,265)	(8,454)
	<u>(9,762)</u>	<u>(19,891)</u>

The Group effective tax rate for the current quarter and current year to date is lower than the statutory tax rate of 26% in Malaysia mainly due to higher utilisation of reinvestment allowances.

B6. Unquoted Investments and/or Properties

There was no disposal of unquoted investments and properties during the quarter under review.

B7. Quoted Securities

a) Purchases or disposal of quoted securities during the quarter under review are as follows:-

	Quarter Ended 30 September 2008 RM'000	9 Months Ended 30 September 2008 RM'000
Total Purchases	<u>-</u>	<u>8</u>
Total Disposals		
Sales proceeds	-	8
Book value of investment	<u>-</u>	<u>8</u>
Gain on disposal	<u>-</u>	<u>-</u>

b) Investment in quoted securities as at 30 September 2008 is as follows:

	RM'000
At cost	619
Less: Allowance for diminution in value	(520)
At book value	<u>99</u>
At market value	<u>107</u>

B8. Status of Corporate Proposals

The Company has been given an extension of time until 31 December 2008 by the Foreign Investment Committee and the Securities Commission to implement the remainder Proposed Special Issue of up to 161,880,497 ordinary shares of RM1.00 each to Bumiputera investors to be approved by the Ministry of International Trade and Industry.

B9. Group Borrowings

The Group borrowings as at 30 September 2008 are as follows:

	RM'000
<u>Long-term borrowings</u>	
Floating rate notes (unsecured)	350,000
Finance lease (secured)	9,975
	<u>359,975</u>
<u>Short-term borrowings</u>	
Commercial papers (unsecured)	250,000
Finance lease (secured)	3,860
	<u>253,860</u>
Total Group borrowings	<u><u>613,835</u></u>

All borrowings are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

As of 7 November 2008, the forward exchange contracts which have been entered into by the Group are as follows:-

Forward Contracts Sold

Currency	Contract Amount ('000)	Date of Contract	Value Date of Contract	Equivalent Amount (RM'000)
USD	USD 9,750	19 December 2007 to 15 August 2008	14 November 2008 to 19 August 2009	31,343
EURO	EURO 4,800	21 October 2008 to 28 October 2008	9 December 2008	21,956

Forward Contracts Purchased

Currency	Contract Amount ('000)	Date of Contract	Value Date of Contract	Equivalent Amount (RM'000)
EURO	EURO 3,066	24 December 2007 to 4 November 2008	13 November 2008 to 15 October 2009	14,507

Interest rate swap contract

Interest rate swap contract was entered into which entitled the Company to receive interest at floating rates on notional principal amounts and obliged them to pay interest at fixed rates on the same amounts. The differences between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts were exchanged at periodic intervals.

Any differential to be paid or received on an interest rate contract is recognised as a component of interest income or expense over the period of the contract.

As of 7 November 2008, the interest rates swap contract which has been entered into by the Company to convert floating rate liabilities to fixed rate liabilities in reducing the Company's exposure from adverse fluctuations in interest rates on underlying debt instruments is as follows:

Floating Rate	Notional Amount	Effective Period	Fixed Rate
KLIBOR	RM 80 million	6 November 2008 to 26 September 2011	3.80%

The Group does not foresee any significant credit and market risks associated with the above forward exchange and interest rate swap 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 September 2008.

B13. Earnings per share

Earnings per share are calculated as follows:

	Quarter Ended		9 Months Ended	
	30 September 2008	30 September 2007	30 September 2008	30 September 2007
Profit attributable to equity holders of the Company (RM'000)	124,503	85,701	248,554	199,085
Weighted average number of ordinary shares in issue* ('000)	849,695	1,416,160	849,695	1,416,160
Basic and diluted earnings per shares (sen)	14.7	6.1	29.3	14.1

*net of treasury shares

Basic earnings per share for the preceding year corresponding quarter and preceding year have been adjusted for the effect of share consolidation exercise which was completed at the end of previous financial year.

Dated: 14 November 2008
Petaling Jaya, Selangor Darul Ehsan.