

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

	4 th Quarter Ended		Financial Year Ended	
	31 December 2009 RM'000	31 December 2008 RM'000	31 December 2009 RM'000	31 December 2008 RM'000
Revenue	624,483	641,388	2,483,106	2,530,771
Operating expenses	(466,740)	(499,615)	(1,878,285)	(1,988,820)
Depreciation and amortisation	(39,537)	(40,786)	(153,567)	(168,209)
Other (expenses)/income	7,891	30,434	(2,267)	32,293
Investment income	2,128	393	8,404	5,998
Interest income	1,081	940	3,463	3,351
Profit from operations	129,306	132,754	460,854	415,384
Finance cost	(3,735)	(6,572)	(17,405)	(26,549)
Share in results of associate	(1,588)	3,244	(1,535)	8,937
Profit before tax	123,983	129,426	441,914	397,772
Taxation	(6,122)	(9,662)	(35,699)	(29,554)
Profit for the period/year	117,861	119,764	406,215	368,218
Profit/(Loss) attributable to:				
Equity holders of the Company	119,578	119,131	412,228	367,684
Minority interest	(1,717)	633	(6,013)	534
	117,861	119,764	406,215	368,218
Basic and diluted earnings per share (sen)	14.1	14.0	48.5	43.3

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

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

	Note	As at 31 December 2009 RM'000	As at 31 December 2008 RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment		1,844,659	1,946,387
Investment property		3,822	3,867
Prepaid lease payments on leasehold land		129,422	135,996
Goodwill on consolidation		1,206,264	1,206,264
Other intangible assets		2,476	2,772
Investment in associates		16,149	18,445
Other investments		2,213	2,180
Deferred tax assets		320	5,392
		3,205,325	3,321,303
<u>Current assets</u>			
Inventories		309,242	434,893
Trade receivables		295,988	340,800
Other receivables and prepaid expenses		62,493	63,182
Term deposits		176,525	6,041
Cash and bank balances		236,996	136,817
		1,081,244	981,733
Total assets		4,286,569	4,303,036
EQUITY AND LIABILITIES			
<u>Capital and reserves</u>			
Share capital	A8	849,695	849,695
Reserves:			
Share premium	A8	1,067,199	1,067,199
Capital reserve	A8	33,968	33,968
Exchange equalisation reserve	A8	44,209	40,923
Capital redemption reserve	A8	33,798	33,798
Retained earnings	A8	1,164,779	1,006,434
Equity attributable to equity holders of the Company		3,193,648	3,032,017
Minority interests	A9	20,996	27,009
Total equity		3,214,644	3,059,026

Forward

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

	Note	As at 31 December 2009 RM'000	As at 31 December 2008 RM'000
<u>Non-current liabilities</u>			
Borrowings	B9	215,775	358,983
Retirement benefits		37,685	37,046
Deferred tax liabilities		291,510	274,729
		<u>544,970</u>	<u>670,758</u>
<u>Current liabilities</u>			
Trade payables		270,238	323,504
Other payables and accrued expenses		102,148	124,738
Amounts owing to holding and other related companies		2,830	11,622
Borrowings	B9	143,501	103,922
Tax liabilities		8,238	9,466
		<u>526,955</u>	<u>573,252</u>
Total liabilities		<u>1,071,925</u>	<u>1,244,010</u>
Total equity and liabilities		<u>4,286,569</u>	<u>4,303,036</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>3.76</u>	<u>3.57</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
CONDENSED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Financial Year Ended	
	31 December 2009 RM'000	31 December 2008 RM'000
Actuarial gain on defined benefits retirement plan	1,351	3,185
Income tax on income and expenses taken directly to equity	(326)	(796)
Net gain recognised directly in equity	1,025	2,389
Profit for the year	<u>406,215</u>	<u>368,218</u>
Total recognised income and expense for the year	<u><u>407,240</u></u>	<u><u>370,607</u></u>
Attributable to:		
Equity holders of the Company	413,253	370,073
Minority interest	(6,013)	534
	<u><u>407,240</u></u>	<u><u>370,607</u></u>

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

	Financial Year Ended	
	31 December 2009 RM'000	31 December 2008 RM'000
<u>Cash Flows From Operating Activities</u>		
Profit before tax	441,914	397,772
Adjustments for:-		
Non-cash items	164,136	175,783
Non-operating items	13,794	23,175
Operating profit before changes in working capital	619,844	596,730
<u>Changes in working capital</u>		
Net change in current assets	161,440	(71,862)
Net change in current liabilities	(66,018)	52,293
Retirement benefits paid	(4,646)	(2,489)
Tax paid	(18,019)	(22,786)
Net cash generated from operating activities	692,601	551,886
<u>Cash Flows From Investing Activities</u>		
Purchase of property, plant and equipment	(59,994)	(96,506)
Proceeds from disposal of property, plant and equipment	6,333	3,268
Proceeds from disposal of quoted shares	48	229
Payments for prepaid lease payments	-	(159)
Acquisition of subsidiaries	-	(36,230)
Other investment activities	5,303	7,077
Net cash used in investing activities	(48,310)	(122,321)
<u>Cash Flows From Financing Activities</u>		
Net repayment of borrowings	(100,000)	(175,053)
Dividend paid	(254,908)	(253,209)
Interest paid	(19,199)	(22,255)
Net cash used in financing activities	(374,107)	(450,517)
Net Change in Cash and Cash Equivalents	270,184	(20,952)
Effects of currency translations	479	1,590
Cash and Cash Equivalents at beginning of the year	142,858	162,220
Cash and Cash Equivalents at end of the period	413,521	142,858

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31st December 2008 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 the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2008. 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 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008 and are in compliance with the Malaysian Financial Reporting Standards (FRSs) and other interpretations that are effective, for financial statements commencing 1 January 2009.

Standards and Interpretations in issue but not yet effective

At the date of authorisation of this report, the FRSs, Issue Committee Interpretations (“IC Interpretations”), amendments to FRSs and IC Interpretations were in issue but not yet effective are listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)*
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010)**
FRS 2	Share-Based Payments (Amendments relating to vesting conditions and cancellations)*
FRS 2	Share-Based Payments (Amendments relating to scope of FRS 2 and revised FRS 3)**
FRS 3	Business Combinations (Revised in 2010)**
FRS 4	Insurance Contracts*
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)**
FRS 7	Financial Instruments: Disclosures*
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition)*
FRS 8	Operating Segments^
FRS 101	Presentation of Financial Statements (Revised in 2009)*
FRS 123	Borrowing Costs*
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)*
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010)**

FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation)*
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)**
FRS 139	Financial Instruments: Recognition and Measurement*
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets – effective date and transition, embedded derivatives and revised FRS 3 and revised FRS 127)*
Improvements to FRSs (2009)*	
IC Interpretation 9	Reassessment of Embedded Derivatives *
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded Derivatives)*
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3)**
IC Interpretation 10	Interim Financial Reporting and Impairment*
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions*
IC Interpretation 12	Service Concession Arrangements**
IC Interpretation 13	Customer Loyalty Programmes*
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
IC Interpretation 15	Agreements for the Construction of Real Estate**
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation**
IC Interpretation 17	Distributions of Non-cash Assets to Owners**

^ Effective for annual periods beginning on or after 1 July 2009

* Effective for annual periods beginning on or after 1 January 2010

** Effective for annual periods beginning on or after 1 July 2010

Save for FRS 139 and FRS 7, the Directors anticipate that the adoption of these revised FRSs, amendments to FRS and IC Interpretations in future periods will have no material financial impact on the financial statements of the Group. By virtue of the exemption in paragraph 103AB of FRS 139 and paragraph 44AB of FRS 7, the impact of applying FRS 139 and FRS 7 on the financial statements upon first adoption of these standards as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

A2. 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.

A3. 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.

A4. 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.

A5. 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.

A6. 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.

A7. Dividend Paid

Dividends paid during the current financial year are as follows:

	RM'000
Interim dividend paid on 8 April 2009 for the year ended 31 December 2008 - 15 sen single-tier dividend per ordinary share of RM1.00 each	127,454
Interim dividend paid on 13 October 2009 for the year ended 31 December 2009 - 15 sen single-tier dividend per ordinary share of RM1.00 each	127,454
	<u>254,908</u>

A8. Capital and Reserves

a) Share Capital

Issued and fully paid:

	RM'000
As of 1 January 2008/ 31 December 2008	<u>849,695</u>
As of 1 January 2009/ 31 December 2009	<u>849,695</u>

b) Share Premium

	RM'000
As of 1 January 2008/ 31 December 2008	<u>1,067,199</u>
As of 1 January 2009/ 31 December 2009	<u>1,067,199</u>

c) Capital Reserve

	RM'000
As of 1 January 2008/ 31 December 2008	<u>33,968</u>
As of 1 January 2009/ 31 December 2009	<u>33,968</u>

d) Exchange Equalisation Reserve

	RM'000
As of 1 January 2008	34,762
Exchange differences on translation of foreign operation recognised directly in equity	<u>6,161</u>
As of 31 December 2008	40,923
Exchange differences on translation of foreign operation recognised directly in equity	<u>3,286</u>
As of 31 December 2009	<u><u>44,209</u></u>

e) Capital Redemption Reserve

	RM'000
As of 1 January 2008/ 31 December 2008	<u>33,798</u>
As of 1 January 2009/ 31 December 2009	<u><u>33,798</u></u>

f) Retained Earnings

	RM'000
As of 1 January 2008	889,570
Net profit attributable to equity holders of the Company	367,684
Dividend paid	(253,209)
Actuarial gain on defined benefits retirement plan recognised directly in equity	3,185
Income tax on income and expenses taken directly to equity	<u>(796)</u>
As of 31 December 2008	1,006,434
Net profit attributable to equity holders of the Company	412,228
Dividend paid	(254,908)
Actuarial gain on defined benefits retirement plan recognised directly in equity	1,351
Income tax on income and expenses taken directly to equity	<u>(326)</u>
As of 31 December 2009	<u><u>1,164,779</u></u>

A9. Minority Interests

	RM'000
As of 1 January 2008	26,401
Acquisition of a subsidiary	74
Profit for the year	<u>534</u>
As of 31 December 2008	27,009
Loss for the year	<u>(6,013)</u>
As of 31 December 2009	<u><u>20,996</u></u>

A10. Segmental Information

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

	Financial Year Ended 31 December			
	Revenue		Profit/(Loss)	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cement and clinker	2,065,767	1,964,071	459,189	389,100
Other building materials & operations	607,980	753,973	(1,798)	22,933
	<u>2,673,747</u>	<u>2,718,044</u>	<u>457,391</u>	<u>412,033</u>
Inter-segment elimination	(190,641)	(187,273)	-	-
Interest income	-	-	3,463	3,351
Total Revenue/Profit from operations	<u>2,483,106</u>	<u>2,530,771</u>	<u>460,854</u>	<u>415,384</u>
Finance cost			(17,405)	(26,549)
Share in results of associate			(1,535)	8,937
Profit before tax			<u>441,914</u>	<u>397,772</u>
Taxation			(35,699)	(29,554)
Profit for the year			<u>406,215</u>	<u>368,218</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 31 December 2009 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

On 23 December 2009, KL Cement Sdn. Bhd., a wholly-owned subsidiary of the Company commenced its members' voluntary winding-up.

Apart from the above, 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 balance sheet date not provided for in the financial statements are as follows:

	As at
	31 December 2009
	RM'000
In respect of capital expenditure:	
Approved and contracted for	1,620
Approved but not contracted for	39,898
	<u>41,518</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
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.
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.
Lafarge Tiles (Pahang) Sdn Bhd#	Associate of Lafarge S.A.
Monier Sdn Bhd #	Associate of Lafarge S.A.
Lafarge Roofing Tiles Sdn Bhd #	Associate 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, is a substantial shareholder

The related party transactions for financial year ended 31 December 2009 are as follows:

Description of Transactions	RM'000
Ultimate holding company of the Company:	
Provision of trademark licence and general assistance fee	35,157
Insurance brokerage fee	302
Specific technical assistance fee	943
Associate of the Group:	
Sales of cement and ready-mixed concrete	37,941
Subsidiaries of ultimate holding company of the Company:	
Sales of cement and clinker	436,833
Purchase of cement and clinker	8,888
Time charter hire/Sub-charter of vessels	2,741
Maintenance of hardware and software	2,326
Purchase of gypsum	581
Rental income of office premises	1,100
Commission paid for purchase of cement	17

Associates of ultimate holding company of the Company #:	
Sales of cement	23,370
Purchase of building materials for resale	11,421
Subsidiary of Pacific & Orient Berhad:	
Purchase of information technology hardware and services	30

These companies ceased to be the associates of the ultimate holding company with effect from 19 October 2009.

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 in the current quarter was marginally lower compared to the corresponding quarter last year mainly due to lower domestic selling prices and lower export prices on account of weaker US Dollar. Despite the lower revenue, Group pre-tax profit increased by 24% to RM124.0 million in the current quarter compared to the corresponding quarter last year of RM99.8 million after excluding the non-recurring gain on the sale of Certified Emission Reductions (CERs) of RM29.6 million. The better earnings is mainly attributed to higher export volume, lower production costs resulting from better plant performance, lower maintenance costs but partly offset by poorer results of our operations in ready-mixed concrete, trading and in Singapore.

Current Year To Date

The Group's pre-tax profit for the year ended 31 December 2009 was RM441.9 million, an increase of 11% over the corresponding period last year of RM397.8 million, despite 2008 results having the benefit of the non-recurring gain on the sale of CERs. The better earnings is attributed to higher export volume, more efficient plant operations and tighter cost control, partly offset by higher prices of coal and electricity as well as lower contribution from our operations in ready-mixed concrete, trading and in Singapore. Cash flow from operations for the year ended 31 December 2009 also improved significantly compared to that of the previous financial year due to strong focus on working capital management.

B2. Comparison with Preceding Quarter

	4th Quarter Ended 31 December 2009 RM'000	3rd Quarter Ended 30 September 2009 RM'000
Revenue	624,483	618,319
Profit before tax	123,983	126,472

Revenue was marginally higher in the current quarter compared to the preceding quarter mainly due to higher sales of ready-mixed concrete. Group pre-tax profit was marginally lower at RM124.0 million compared to RM126.5 million in the preceding quarter mainly due to lower domestic selling prices.

B3. Prospects

The outlook for the construction sector in Malaysia in 2010 has improved in anticipation of the acceleration in the implementation of public sector projects under the economic stimulus packages. With the expected stronger construction activities in 2010 and a lower base following the contraction in domestic cement demand in Peninsular Malaysia in 2009, the Group is optimistic of a growth in domestic cement demand in 2010. However, contributions from cement and clinker exports in 2010 are likely to be affected by the softening of export prices in the international markets.

The Group is also likely to face with rising costs of fuel and materials in 2010 and will continue to intensify its efforts with the support of its parent company, Lafarge S.A. in improving plant performance, cost control and focus on working capital management to mitigate the negative impacts of rising costs.

Overall, the Board is optimistic of another year of satisfactory results in 2010.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 31 December 2009.

B5. Taxation

Taxation comprises the following:

	4th Quarter Ended 31 December 2009 RM'000	Financial Year Ended 31 December 2009 RM'000
In respect of current year:		
- income tax charge	(1,378)	(15,367)
- deferred tax charge	(5,480)	(16,686)
In respect of prior years:		
- income tax credit	53	1,101
- deferred tax charge	683	(4,747)
	<u>(6,122)</u>	<u>(35,699)</u>

The Group's effective tax rate for the current quarter and current year to date is lower than the statutory tax rate of 25% 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) There were no purchases of quoted securities during the quarter under review and the disposal of quoted securities is as follows:

	4th Quarter Ended 31 December 2009 RM'000	Financial Year Ended 31 December 2009 RM'000
Total Disposals		
Sales proceeds	-	48
Book value of investment	-	31
Gain on disposal	<u>-</u>	<u>17</u>

b) Investment in quoted securities as at 31 December 2009 is as follows:

	RM'000
At cost	410
Less: Allowance for diminution in value	(297)
At book value	<u>113</u>
At market value	<u>113</u>

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 31 December 2009 are as follows:

	RM'000
<u>Long-term borrowings</u>	
Floating rate notes (unsecured)	210,000
Finance lease (secured)	5,775
	<u>215,775</u>
<u>Short-term borrowings</u>	
Revolving Credit (unsecured)	140,000
Finance lease (secured)	3,501
	<u>143,501</u>
Total Group borrowings	<u><u>359,276</u></u>

All borrowings are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

As of 18 February 2010, 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 5,000	18 June 2009 to 28 October 2009	25 February 2010 to 15 October 2010	17,804

Forward Contracts Purchased

Currency	Contract Amount ('000)	Date of Contract	Value Date of Contract	Equivalent Amount (RM'000)
EURO	EURO 1,809	9 November 2009 to 21 January 2010	23 February 2010 to 10 March 2010	8,933

Interest rate swap contract

Interest rate swap contract was entered into which entitled the Company to receive interest at floating rates on the notional principal amount and obliged the company to pay interest at fixed rates on the same notional amount. The difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts will be 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 18 February 2010, 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:

Notional Amount	Effective Period
RM 80 million	6 November 2008 to 26 December 2011

Commodity swap contracts

As of 18 February 2010, the commodity swap contracts for coal which have been entered into by the Group via its ultimate holding company to partially cover its consumption up to 31 March 2010 amounting to approximately USD1.6 million in nominal value. These contracts were entered into with the objective to manage its exposure to price fluctuation in coal.

The Group does not foresee any significant credit and market risks associated with the above forward exchange, interest rate swap and commodity swap contracts as they are entered into 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

The Directors had declared a first interim dividend of 15 sen single-tier dividend per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2009, which was paid on 13 October 2009.

The Directors has declared a second interim dividend of 23 sen single-tier dividend per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2009 and which will be paid on 14 April 2010. The entitlement date for the dividend payment is on 17 March 2010.

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 17 March 2010 in respect of transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

Total dividends paid in respect of the financial year ended 31 December 2008 are as follows:

- (a) First interim dividend of 15 sen single-tier dividend per ordinary shares of RM1.00 each paid on 15 October 2008;
- (b) Second interim dividend of 15 sen single-tier dividend per ordinary shares of RM1.00 each paid on 8 April 2009.

B13. Earnings per share

Earnings per share are calculated as follows:

	4th Quarter Ended		Financial Year Ended	
	31	31	31	31
	December	December	December	December
	2009	2008	2009	2008
Profit attributable to equity holders of the Company (RM'000)	119,578	119,131	412,228	367,684
Weighted average number of ordinary shares in issue ('000)	849,695	849,695	849,695	849,695
Basic and diluted earnings per shares (sen)	14.1	14.0	48.5	43.3

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

Dated: 25 February 2010
Petaling Jaya, Selangor Darul Ehsan.