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

	4th Quarter Ended		Financial Year Ended	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Revenue	**656,851**	**617,184**	**2,552,564**	**2,324,888**
Operating expenses	(487,024)	(484,027)	(2,001,206)	(1,814,605)
Depreciation and amortisation	(39,563)	(39,444)	(157,910)	(155,860)
Other income/(expenses)	8,710	18	8,222	(6,240)
Investment income	3,957	3,459	8,905	8,435
Interest income	1,319	1,344	6,427	5,801
Profit from operations	**144,250**	**98,534**	**417,002**	**362,419**
Finance cost	(2,073)	(2,883)	(10,229)	(10,817)
Share in results of associate	2,301	(857)	7,874	(6,205)
Profit before tax	**144,478**	**94,794**	**414,647**	**345,397**
Income tax expense	(26,317)	(15,422)	(97,000)	(54,299)
Profit for the year	**118,161**	**79,372**	**317,647**	**291,098**
Other comprehensive income/(loss), net of tax				
Net change in fair value of available-for-sale financial assets	36	27	36	-
Foreign currency translation differences for foreign operations	(133)	835	(1,437)	(3,045)
Net change in cash flow hedges	(472)	(91)	188	(708)
Defined benefits retirement plan actuarial losses	(4,118)	(865)	(4,118)	(865)
Others	-	111	(111)	111
Total other comprehensive (loss)/ income for the year, net of tax	(4,687)	17	(5,442)	(4,507)
Total comprehensive income for the year	**113,474**	**79,389**	**312,205**	**286,591**

Forward

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

	4th Quarter Ended		**Financial Year Ended**	
	31 December 2011 RM'000	**31 December 2010 RM'000**	**31 December 2011 RM'000**	**31 December 2010 RM'000**
Profit/(Loss) attributable to:				
Owners of the Company	117,386	80,513	317,845	295,340
Non-controlling interests	775	(1,141)	(198)	(4,242)
	118,161	**79,372**	**317,647**	**291,098**
Total comprehensive income/(loss) attributable to:				
Owners of the Company	112,688	80,528	312,392	290,833
Non-controlling interests	786	(1,139)	(187)	(4,242)
	113,474	**79,389**	**312,205**	**286,591**
Basic and diluted earnings per share (sen)	13.8	9.5	37.4	34.8

(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 31 December 2011 RM'000	As at 31 December 2010 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,673,062	1,763,888
Investment property		3,568	3,777
Prepaid lease payments on leasehold land		118,827	124,649
Goodwill on consolidation		1,205,889	1,205,889
Other intangible assets		3,882	4,179
Investment in associate		16,488	9,601
Other financial assets		1,936	2,111
Deferred tax assets		2,444	1,205
		3,026,096	3,115,299
Current assets			
Inventories		271,524	261,133
Current tax assets		21,345	20,884
Trade receivables		320,705	275,814
Other receivables and prepaid expenses		35,784	36,234
Amounts owing by holding and other related companies		23,268	23,517
Derivative financial assets	B9	49	26
Term deposits		93,248	128,909
Fixed income trust fund		27,885	30,083
Cash and bank balances		231,171	213,715
		1,024,979	990,315
Assets classified as held for sale		-	18,748
		1,024,979	1,009,063
Total assets		**4,051,075**	**4,124,362**
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		849,695	849,695
Reserves:			
Share premium		1,067,199	1,067,199
Capital reserve		33,968	34,079
Exchange equalisation reserve		39,716	41,164
Capital redemption reserve		33,798	33,798
Investment revaluation reserve		36	-
Hedging reserve		(242)	(430)
Retained earnings		1,084,159	1,059,508
Equity attributable to owners of the Company		3,108,329	3,085,013
Non-controlling interests		16,745	16,754
Total equity		3,125,074	3,101,767

Forward

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

	Note	As at 31 December 2011 RM'000	As at 31 December 2010 RM'000
Non-current liabilities			
Borrowings	B8	1,707	107,949
Retirement benefits		51,280	40,920
Deferred tax liabilities		260,342	283,076
		313,329	431,945
Current liabilities			
Trade payables		318,901	293,075
Other payables and accrued expenses		82,525	96,670
Amounts owing to holding and other related companies		12,997	12,422
Borrowings	B8	106,242	107,826
Derivative financial liabilities	B9	612	998
Tax liabilities		23,419	11,683
Dividend payable		67,976	67,976
		612,672	590,650
Total liabilities		926,001	1,022,595
Total equity and liabilities		**4,051,075**	**4,124,362**
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.66	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	Share Premium	Capital Reserve	Exchange Equalisation Reserve	Capital Redemption Reserve	Investment Revaluation Reserve	Hedging Reserve	Retained Earnings	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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 year	-	-	(111)	(1,448)	-	36	188	313,727	312,392	(187)	312,205
Dividends	-	-	-	-	-	-	-	(288,898)	(288,898)	-	(288,898)
Changes in ownership with no loss of control	-	-	-	-	-	-	-	(178)	(178)	178	-
As of 31 December 2011	849,695	1,067,199	33,968	39,716	33,798	36	(242)	1,084,159	3,108,329	16,745	3,125,074
As of 1 January 2010											
As previously stated	849,695	1,067,199	33,968	44,209	33,798	-	-	1,164,779	3,193,648	20,996	3,214,644
- 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 year	-	-	111	(3,045)	-	-	(708)	294,475	290,833	(4,242)	286,591
Dividends	-	-	-	-	-	-	-	(399,357)	(399,357)	-	(399,357)
As of 31 December 2010	849,695	1,067,199	34,079	41,164	33,798	-	(430)	1,059,508	3,085,013	16,754	3,101,767

(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 Year Ended 31 December 2011 RM'000	Financial Year Ended 31 December 2010 RM'000
Cash Flows From Operating Activities		
Profit before tax	414,647	345,397
Adjustments for:-		
Allowance for inventories obsolescence	13,260	3,314
Amortisation of:		
- other intangible assets	297	297
- prepaid lease payments on leasehold land	6,299	7,228
Depreciation of:		
- investment property	43	45
- property, plant and equipment	151,271	148,287
Derivative (gain)/loss	(98)	316
Dividend income	(812)	(129)
Finance cost	10,229	10,817
(Gain)/loss on disposal of:		
- assets classified as held for sale	(376)	-
- investment property	(27)	-
- property, plant and equipment	(3,264)	(946)
- available-for-sale investment	(38)	6
Impairment loss recognised on trade receivables	3,520	2,885
Impairment loss recognised on available-for-sale investment	-	6
Interest income	(6,427)	(5,801)
Loss on liquidation of a subsidiary	-	375
Property, plant and equipment written off	2,915	2,028
Provision for retirement benefits	6,649	6,430
Reversal of impairment loss on trade receivables	(2,563)	(3,140)
Unrealised loss on foreign exchange	(1,540)	1,179
Share in results of associate	(7,874)	6,205
Operating profit before changes in working capital	586,111	524,799
(Increase)/Decrease in:		
Inventories	(23,528)	9,814
Receivables	(45,032)	22,680
Amounts owing by holding and other related companies	3,177	(23,517)
Increase/(Decrease) in:		
Payables	17,055	14,426
Amounts owing to holding and other related companies	(2,722)	9,592
Cash generated from operations	535,061	557,794
Retirement benefits paid	(1,741)	(4,376)
Tax paid	(108,249)	(57,320)
Net cash generated from operating activities	425,071	496,098

Forward

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

	Financial Year Ended	
	31 December 2011 RM'000	**31 December 2010 RM'000**
Cash Flows From Investing Activities		
Additions to property, plant and equipment	(67,382)	(51,982)
Dividend received	2,028	129
Interest received	6,427	5,801
Proceeds from disposal of:		
- assets classified as held for sale	19,463	-
- investment property	193	-
- property, plant and equipment	4,153	2,855
- available-for-sale investment	249	90
Payments for prepaid lease payments on leasehold land	(477)	(2,455)
Purchase of quarry rights	-	(2,000)
Net cash used in investing activities	(35,346)	(47,562)
Cash Flows From Financing Activities		
Dividends paid	(288,898)	(331,381)
Interest paid	(11,396)	(12,371)
Repayment of borrowings	(107,826)	(143,501)
Net cash used in financing activities	(408,120)	(487,253)
Net Change in Cash and Cash Equivalents	(18,395)	(38,717)
Effects of currency translations	(2,008)	(2,097)
Cash and Cash Equivalents at beginning of the year	372,707	413,521
Cash and Cash Equivalents at end of the year	352,304	372,707

(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)

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)

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 1	First-time Adoption of Financial Reporting Standards (Amendments relating to severe hyperinflation and removal of fixed dates for First-time Adopters)
FRS 7	Financial Instruments: Disclosures (Amendments relating to transfers of financial assets)
FRS 112	Income Taxes (Amendments relating to deferred tax: recovery of underlying assets)
FRS 124	Related Party Disclosures (revised)

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

FRS 101	Presentation of Financial Statements (Amendments relating to presentation of items of other comprehensive income)

Effective for financial periods beginning on or after 1 January 2013:

FRS 9	Financial Instruments (2009)
FRS 9	Financial Instruments (2010)
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits (2011)
FRS 127	Separate Financial Statements (2011)
FRS 128	Investment in Associates and Joint Ventures (2011)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

The Group's next set of financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRS"). As a result, the Group will not be adopting the above FRSs, Interpretations and amendments that are effective for annual periods beginning on or after 1 January 2012.

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 year 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 ended 31 December 2011	
- 8.0 sen single-tier dividend per ordinary share of RM1.00 each	67,976
Second interim dividend paid on 12 October 2011 for the year ended 31 December 2011	
- 8.0 sen single-tier dividend per ordinary share of RM1.00 each	67,976
	288,898

A third interim single-tier dividend of 8.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2011 amounting to RM67.976 million was paid on 13 January 2012.

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:

Financial Year Ended 31 December	**Cement**		**Aggregates & Concrete**		**Elimination**		**Total**	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Segment revenue								
External revenue	2,160,494	2,031,561	392,070	293,327	-	-	2,552,564	2,324,888
Internal revenue	249,503	179,084	712	593	(250,215)	(179,677)	-	-
	2,409,997	2,210,645	392,782	293,920	(250,215)	(179,677)	2,552,564	2,324,888
Segment profit/(loss)	410,320	366,520	255	(9,902)	-	-	410,575	356,618
Reconciliation of segment profit to consolidated profit before tax:								
Interest income							6,427	5,801
Finance cost							(10,229)	(10,817)
Share in results of associate							7,874	(6,205)
Consolidated profit before tax							414,647	345,397
Segment assets	3,692,365	3,720,391	227,973	208,378	(263,780)	(210,915)	3,656,558	3,717,854
Reconciliation of segment assets to consolidated total assets:								
Investment in associate							16,488	9,601
Unallocated corporate assets							378,029	396,907
Consolidated total assets							4,051,075	4,124,362
Segment liabilities	669,186	598,150	126,558	122,449	(262,669)	(210,921)	533,075	509,678
Reconciliation of segment liabilities to consolidated total liabilities:								
Interest bearing instruments							109,165	218,158
Unallocated corporate liabilities							283,761	294,759
Consolidated total liabilities							926,001	1,022,595

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 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 changes in the composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except on 21 December 2011, the Company announced that two of its wholly owned subsidiaries, Simen Utama Sdn. Bhd. ("SUSB") and APMC Enterprise Sdn. Bhd. ("APMCE"), had commenced members' voluntary liquidation.

SUSB, which was involved in sales and distribution of cement and cement products, became inactive during the financial year ended 31 December 2008. Whilst APMCE which was involved in investment holding and renting of office space, became inactive during the financial year ended 31 December 2009. The voluntary liquidation of APMCE and SUSB is not expected to have any material effect on the earnings and net assets of the Group for the financial ending 31 December 2012.

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 31 December 2011 RM'000
In respect of capital expenditure:	
Approved and contracted for	6,958
Approved but not contracted for	11,173
	18,131

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	Former 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 25th May 2011, is a substantial shareholder

The related party transactions for financial year ended 31 December 2011 are as follows:

Description of Transactions	RM'000
Ultimate holding company of the Company:	
Provision of trademark licence and general assistance fee	33,834
Specific technical assistance fee	669
Associate of the Group:	
Sales of cement and ready-mixed concrete	36,376
Batching income	1,068
Management service fee	219
Subsidiaries of ultimate holding company of the Company:	
Sale and/or purchase of cement and clinker	297,826
Voyage charter vessels cost	5,438
Time charter hire/sub-charter of vessels	4,523
Service fee for sourcing alternative fuel and raw materials	2,228
Maintenance of hardware and software	2,266
Rental income of office premises	1,091
Administrative and supporting service fee	120

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 for the current quarter was 6% higher than the corresponding quarter last year, contributed by both Cement and Aggregates & Concrete segments as a result of higher domestic demand generated by the on-going major infrastructure projects and property development activities.

The Group registered a pre-tax profit of RM144 million for the current quarter, 52% higher over the corresponding quarter last year. Apart from the higher revenue generated by both segments as mentioned above, better plant efficiency also contributed to the higher earnings.

Current Year to Date

The Group recorded revenue of RM2.6 billion for the current financial year ended 31 December 2011, an increase of 10% as compared to last year mainly due to higher domestic demand. The Group's pre-tax profit for the current financial year had also increased by 10%, in line with the increase in revenue as well as the better performance of our ready mix businesses.

The higher domestic sales volume contributed to the increase in the Cement segment's revenue and profit but this was offset by higher production costs primarily driven by an increase in energy and fuel costs, which we were unable to fully recover through price increases.

Comparison with Preceding Quarter

	4th Quarter Ended 31 December 2011 RM'000	**3rd Quarter Ended 30 September 2011 RM'000**
Revenue	656,851	625,527
Profit before tax	144,478	97,214

Revenue for the current quarter was higher mainly due to the strong demand driven by active domestic construction activities coupled with more working days and better prices. The Group's pre-tax profit was higher at RM144 million compared to RM97 million in the preceding quarter mainly due to higher revenue and better plant efficiency.

B3. Prospects

The outlook of the construction sector is expected to be positive in 2012 riding on the implementation of major infrastructure projects and on-going property development activities. Domestic demand for cement and other building materials will continue to grow while the outlook for export market is expected to be stable. However, the market will remain competitive in the domestic industry. The Group will continue to focus on product quality and customers' needs while maintaining efficient operations. The Group's financial results in 2012 should remain satisfactory.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 31 December 2011.

B5. Income tax expense

Income tax expense comprises the following:

	4th Quarter Ended 31 December 2011 RM'000	Full Year Ended 31 December 2011 RM'000
In respect of current year:		
- income tax	(34,834)	(122,274)
- deferred tax	8,416	16,487
In respect of prior years:		
- overprovision of income tax	101	2,396
- overprovision of deferred tax	-	6,391
	(26,317)	(97,000)

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 2011dismissed 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. A hearing date originally fixed for October 2011 has now being rescheduled to 26th and 27th March 2012.

B6. Profit for the period

	4th Quarter Ended		Full Year Ended	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Profit for the period is arrived after charging:				
Allowance for inventories obsolescence	4,119	-	13,260	3,314
Amortisation of:				
- other intangible assets	74	74	297	297
- prepaid lease payments on leasehold land	1,720	1,844	6,299	7,228
Depreciation of:				
- investment property	10	11	43	45
- property, plant and equipment	37,763	37,512	151,271	148,287
Derivative loss	743	-	-	316
Impairment loss recognised on trade receivables	3,864	3,200	3,520	2,885
Impairment loss recognised on available-for-sale investment	-	6	-	6
Loss on disposal of available-for-sale investments	-	6	-	6
Loss on liquidation of a subsidiary	-	375	-	375
Property, plant and equipment written off	2,077	1,708	2,915	2,028
Provision for retirement benefits	1,665	1,753	6,649	6,430
Realised loss on foreign exchange	-	1,557	-	1,557
Unrealised loss on foreign exchange	-	745	-	1,179
and after crediting:				
Derivative gain	-	48	98	-
Gain on disposal of:				
- assets classified as held for sale	-	-	376	-
- available-for-sale investments	55	-	38	-
- investment property	-	-	27	-
- property, plant and equipment	345	486	3,264	946
Reversal of allowance for inventories obsolescence	1,731	3,612	1,731	-
Reversal of impairment loss on trade receivables	981	3,140	2,563	3,140
Realised gain on foreign exchange	86	-	86	-
Unrealised gain on foreign exchange	2,535	-	1,540	-

B7. Status of Corporate Proposals

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

B8. Group Borrowings

The Group borrowings as at 31 December 2011 are as follows:

	RM'000
Long-term borrowings	
Finance lease (secured)	1,707
Short-term borrowings	
Floating rate notes (unsecured)	105,000
Finance lease (secured)	1,242
	106,242
Total Group borrowings	107,949

All borrowings are denominated in Ringgit Malaysia.

B9. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 31 December 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/(Liabilities) (RM'000)	Maturity
Foreign exchange contracts	11,442	(224)	Less than 1 year
Coal hedging	7,259	(339)	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 31 December 2011, the amount of credit risk in the Group measured in terms of the cost to replace the profitable contracts was RM2,499,000. 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.

B10. Fair Value Changes of Financial Liabilities

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

B11. Material Litigation

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

B12. Dividend

The Directors has declared a fourth interim single-tier dividend of 10.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2011 which will be paid on 12 April 2012. The entitlement date for the dividend payment is on 15 March 2012.

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 15 March 2012 in respect of transfers; and

(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

B13. Earnings Per Share

Earnings per share are calculated as follows:

	4th Quarter Ended		**Full Year Ended**	
	31 December 2011	**31 December 2010**	**31 December 2011**	**31 December 2010**
Profit attributable to equity holders of the Company (RM'000)	117,386	80,513	317,845	295,340
Weighted average number of ordinary shares in issue ('000)	849,695	849,695	849,695	849,695
Basic and diluted earnings per shares (sen)	**13.8**	**9.5**	**37.4**	**34.8**

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

B14. Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 December 2011, into realised and unrealised profits, is as follows:

	As at 31 December 2011 RM'000	As at 30 September 2011 RM'000
Total retained profits of the Group:		
- realised	1,434,130	1,400,275
- unrealised	(146,753)	(148,065)
	1,287,377	1,252,210
Total retained profits from associate:		
- realised	24,197	21,896
	1,311,574	1,274,106
Less: Consolidation adjustments	(227,415)	(235,239)
Total retained profits as per statement of financial position	1,084,159	1,038,867

Dated: 22 February 2012
Petaling Jaya, Selangor Darul Ehsan.