

**YTL CEMENT BERHAD (Company No. 31384-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated result for the quarter ended 31 March 2009.  
The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2008 RM'000	9 MONTHS ENDED	
				31.03.2009 RM'000
REVENUE	485,824	375,665	1,436,750	1,012,448
COST OF SALES	(388,959)	(286,387)	(1,132,901)	(757,453)
GROSS PROFIT	96,865	89,278	303,849	254,995
OTHER OPERATING EXPENSE	(15,816)	(12,797)	(36,178)	(28,301)
OTHER OPERATING INCOME	3,879	5,187	13,369	17,889
PROFIT FROM OPERATION	84,928	81,668	281,040	244,583
FINANCE COSTS	(9,978)	(12,947)	(34,506)	(37,192)
SHARE OF PROFIT OF ASSOCIATED COMPANY	(980)	2,122	(842)	2,721
PROFIT BEFORE TAXATION	73,970	70,843	245,692	210,112
TAXATION	(8,274)	(6,563)	(33,144)	(20,870)
DEFERRED TAXATION	(10,859)	(10,596)	(29,344)	(31,380)
PROFIT FOR THE PERIOD	54,837	53,684	183,204	157,862
ATTRIBUTABLE TO :				
SHAREHOLDERS OF THE COMPANY	51,370	45,512	169,009	140,760
MINORITY INTEREST	3,467	8,172	14,195	17,102
NET PROFIT FOR THE PERIOD	54,837	53,684	183,204	157,862
<b>EARNINGS PER SHARE</b>				
Basic (Sen)				
• Before Mandatory Conversion of ICULS	10.95	9.69	36.01	29.94
• After Mandatory Conversion of ICULS	7.94	7.04	26.13	21.74
Diluted (Sen)	7.93	7.00	26.06	21.59

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>UNAUDITED AS AT 31.3.2009  RM'000</b>	<b>AUDITED AS AT 30.6.2008  RM'000</b>
<b>ASSETS</b>		
<b>Non-current Asset</b>		
Property, Plant & Equipment	1,748,455	1,786,104
Prepaid payment on leasehold land	59,580	59,382
Investment properties	12,617	12,617
Investment in associated companies	46,494	47,708
Quoted Investment	15	15
Deferred tax assets	-	11,011
Development Expenditure	35,151	34,833
Goodwill on Consolidation	60,476	60,476
	----- 1,962,788 -----	----- 2,012,146 -----
<b>Current Assets</b>		
Inventories	159,192	150,241
Trade receivables	282,656	220,747
Tax recoverable	2,368	959
Other receivables	40,618	48,004
Inter-company Balances	5,423	7,077
Deposits, Bank & Cash Balances	623,682	382,586
	----- 1,113,939 -----	----- 809,614 -----
<b>TOTAL ASSETS</b>	----- <u>3,076,727</u> -----	----- <u>2,821,760</u> -----

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**CONDENSED CONSOLIDATED BALANCE SHEETS – continued**

	<b>UNAUDITED AS AT 31.3.2009</b>	<b>AUDITED AS AT 30.6.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Shares Capital	245,241	245,170
Share premium	121,640	121,435
Other Reserves	6,795	11,144
Retained profits	898,593	777,684
ICULS - Equity Component	372,242	372,242
Treasury shares, at cost	(82,832)	(82,057)
	-----	-----
<b>Total Equity Attributable to Shareholders</b>	<b>1,561,679</b>	<b>1,445,618</b>
<b>Minority Interests</b>	<b>184,395</b>	<b>170,200</b>
	-----	-----
<b>TOTAL EQUITY</b>	<b>1,746,074</b>	<b>1,615,818</b>
	-----	-----
<b>LIABILITIES</b>		
Other payables	33,960	20,695
Bank Borrowings	416,315	400,684
Hire purchase creditors	11,691	9,830
Deferred Taxation	18,333	-
ICULS- Liability Component	126,837	133,004
	-----	-----
<b>Total Non-current Liabilities</b>	<b>607,136</b>	<b>564,213</b>
	-----	-----
Trade payables	113,524	122,864
Other payables	170,075	149,389
Hire purchase creditors	6,304	2,377
Inter-Company Balances	39,558	46,090
Short term Borrowings	375,436	315,635
Provision for Taxation	18,620	5,374
	-----	-----
<b>Total current Liabilities</b>	<b>723,517</b>	<b>641,729</b>
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>1,330,653</b>	<b>1,205,942</b>
	-----	-----
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,076,727</b>	<b>2,821,760</b>
	=====	=====
Net assets per 50 sen share (Sen)	319.90	295.08
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>FOR THE NINE MONTHS ENDED</b>	
	<b>31.3.2009</b>	<b>31.3.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash (used in) operating activities	264,833	111,644
	=====	=====
Net cash (used in) investing activities	(46,698)	(112,396)
	=====	=====
Net cash generated from financing activities	22,961	(66,943)
	=====	=====
Net (decrease) / increase in cash and cash equivalents	241,096	(67,695)
Cash and cash equivalents at beginning of the year	382,586	425,013
	-----	-----
Cash and cash equivalent at end of the period (note a)	623,682	357,318
	=====	=====
<b>Note (a)</b>		
Cash and cash equivalent		
	<b>31.3.2009</b>	<b>31.3.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	44,014	34,040
Fixed Deposit	579,668	323,278
	-----	-----
Cash and cash equivalent at end of the period	623,682	357,318
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009**

	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Other Reserves RM'000	Retained Profit RM'000	Treasury Shares RM'000	ICULS Equity RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 July 2008										
-as previous reported	245,170	121,435	-	11,144	777,684	(82,057)	372,242	1,445,618	170,200	1,615,818
Currency translation				3,546				3,546		3,546
Diff, representing net expenditure recognised directly in Equity										
Net profit for the period					169,009			169,009	14,195	183,204
Total recognised income and exp dt. for the period	-	-	-	3,546	169,009	-	-	172,555	14,195	186,750
Irredeemable Convertible Unsecured Loan Stocks								-		-
Dividend paid					(48,100)			(48,100)		(48,100)
Treasury shares						(775)		(775)		(775)
Issue of Share Capital	71	205	-	-	-	-	-	276		276
Acquisition of Subsidiary									-	-
Share-based payment under ESOS	-	-	-	(7,895)	-	-	-	(7,895)	-	(7,895)
As at 31 March 2009	245,241	121,640	-	6,795	898,593	(82,832)	372,242	1,561,679	184,395	1,746,074

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Other Reserves RM'000	Retained Profit RM'000	Treasury Shares RM'000	ICULS Equity RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 July 2007										
-as previous reported	245,160	121,420	-	227	546,714	(74,395)	372,245	1,211,371	152,052	1,363,423
Currency translation Diff, representing net expenditure recognised directly in Equity				114				114		114
Net profit for the period					140,760			140,760	17,102	157,862
Total recognised income and expdt. for the period				114	140,760			140,874	17,102	157,976
Irredeemable Convertible Unsecured Loan Stock							(3)	(3)		(3)
Dividend paid					(69,020)			(69,020)		(69,020)
Treasury shares						(7,538)		(7,538)		(7,538)
Issue of Share Capital	10	15	-	-	-	-	-	25	-	25
Share-based payment under ESOS	-	-	-	629	-	-	-	629	-	629
As at 31 March 2008	245,170	121,435	-	970	618,454	(81,933)	372,242	1,276,338	169,154	1,445,492

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements

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### **Disclosure requirements pursuant to FRS 134**

The notes to the Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2008.

#### **A1. Accounting Policies and methods of computation**

The interim financial report is unaudited and has been prepared in accordance with FRS134<sub>2004</sub> "Interim Financial Reporting" (formerly known as MASB 26) and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2008.

#### **A2. Seasonality or Cyclicity of Operations**

The business operations of the Group are not materially affected by any seasonal or cyclical factor.

#### **A3. Exceptional or Unusual Items**

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

#### **A4. Changes in estimates of amounts reported**

There was no change to estimate of amount reported in prior interim periods and prior financial years.

#### **A5. Changes in Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following:-

- (i) During the current financial year todate, the Company repurchased a total of 274,800 ordinary shares of its issued share capital from the open market for a total consideration of RM774,960 at an average cost of RM2.82 per share. During the quarter ended 31 March 2009, a total of 100 shares were purchased from the open market for a total consideration of RM297 at an average cost of RM2.97 per share. The shares are being held as treasury shares. As at 31 March 2009, the total shares bought back, all of which are held as treasury shares, amounted to 21,208,964 ordinary shares.

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**Notes: - continued**

- (ii) For the current financial year to date, a total of 142,000 ordinary shares of 50 sen each were issued at an average exercise price of RM1.95 pursuant to the exercise of employees' share option scheme (ESOS).

**A6. Dividend**

Dividend amounting to RM8,798,854 was paid on 26 December 2008 in respect of the final dividend of 5% less 25% tax declared for year ended 30 June 2008.

Dividend amounting to RM21,703,845 was paid on 20 January 2009 in respect of the first interim dividend of 3% gross less 25% tax and 7% single tier dividend declared for year ending 30 June 2009.

Dividend amounting to RM17,597,711 was paid on 26 March 2009 in respect of the second interim dividend of 7.5% single tier dividend declared for year ending 30 June 2009.

**A7. Segment Reporting**

No segment information is prepared as the Group's activities are predominantly in one industry segment.

**A8. Material Events Subsequent to the end of the interim period**

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to the date of this report.

**A9. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the financial period ended 31 March 2009, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations except for the following:-

- (i) On 4 July 2008, YTL Cement (Hong Kong) Limited ("YTLC HK"), a wholly-owned subsidiary of the Company, acquired 1 ordinary share of par value US\$1.00 representing the entire issued and paid-up share capital of Industrial Resources Limited ("Industrial Resources") for USD1.00 in cash. As a result, Industrial Resources became a wholly-owned subsidiary of YTLC HK and an indirect subsidiary of the Company.

Industrial Resources was incorporated in the Cayman Islands on 4 July 2008 and has an authorised share capital of USD50,000 comprising 50,000 shares of USD1.00 each. Industrial Resources will be principally involved in investment holding and procurement.



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**Notes: - continued**

- (ii) On 10 June 2008, Buildcon Concrete Enterprise Sdn Bhd (“BCE”), a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement with Ensidesa Mix Sdn Bhd for the acquisition of 303,800 ordinary shares of RM1.00 each representing 49% of the issued & paid-up share capital of Buildcon-Ensidesa Sdn Bhd (“Buildcon-Ensidesa”) for a purchase consideration of RM411,420.28. The acquisition was completed on 10 July 2008 and Buildcon-Ensidesa became a wholly-owned subsidiary of BCE and an indirect subsidiary of the Company.

Buildcon-Ensidesa subsequently changed its name to Buildcon Desa Sdn Bhd on 25 September 2008.

- (iii) The Company subscribed for 4,990 ordinary shares of par value USD100 each representing 99.8% of the issued and paid-up share capital of P.T. YTL Simen Indonesia (“YTL Simen Indo”) for a cash consideration of USD499,000 whilst YTL Cement Singapore Pte Ltd, a wholly-owned subsidiary of the Company, subscribed for the remaining 0.2% of the issued and paid-up share capital or 10 ordinary shares for a cash consideration of USD1,000. As a result, YTL Simen Indo has on 29 July 2008 become a subsidiary of YTL Cement.

YTL Simen Indo is a limited liability company and has an authorised share capital of USD500,000 comprising 5,000 shares of USD100 each, all of which have been issued and paid-up. YTL Simen Indo will be principally involved in the distribution and sale of cement and clinker.

- (iv) On 12 September 2008, YTL HK incorporated a wholly-owned subsidiary in the People’s Republic of China known as Zhejiang YTL Cement Marketing Co. Ltd. (“ZYTLCM”) with a registered capital of RMB 5 million. ZYTLCM was set up for the purpose of undertaking the business of sales and marketing of cement and cementitious products.
- (v) On 15 September 2008, BCE entered into a Share Sale Agreement with Seri Meraga Consolidated Sdn Bhd for the acquisition of 100,000 ordinary shares of RM1.00 each representing 50% of the issued & paid-up share capital of SMC Mix Sdn Bhd (“SMC Mix”), for a total cash consideration of RM332,199.28. SMC Mix became a wholly-owned subsidiary of BCE and an indirect subsidiary of the Company on 7 October 2008.

SMC Mix was incorporated on 10 September 1998 and has an authorised and issued paid-up share capital of RM500,000 and RM200,000 respectively. The principal activities of SMC Mix are manufacturing and sale of ready-mixed concrete.

- (vi) On 19 November 2008, Concrete Industries Pte Ltd (“Concrete Industries”) was incorporated as a wholly-owned subsidiary of YTL Concrete (S) Pte Ltd. YTL Concrete (S) Pte Ltd is a wholly-owned subsidiary of YTL Cement Singapore Pte Ltd which in turn is a wholly-owned subsidiary of the Company.

Concrete Industries which was incorporated with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share of S\$1.00 will be principally involved in the manufacture and supply of ready-mixed concrete and related products.

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**Notes: - continued**

**A10. Changes in Contingent Liabilities**

There has been no material change in the contingent liabilities of the Group since the last annual balance sheet as at 30 June 2008.

The Company has given corporate guarantees amounting to RM572 million to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:-

	<b>Total Amount Guaranteed RM'000</b>	<b>Amount Utilised RM'000</b>
Letters of credit/trust receipts/bankers acceptances/ overdrafts/bankers guarantees	572,296	430,990

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### **Disclosure requirements per Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

#### **B1. Review of Performance**

The Group recorded revenue and profit before taxation for the current financial quarter of RM485.8 million and RM74.0 million respectively, representing an increase of 29.32% and 4.41% respectively as compared to the preceding year corresponding quarter ended 31 March 2008. The increase in revenue and profit before tax were substantially attributed to overseas operations and better selling prices.

#### **B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.3.2009 RM'000</b>	<b>Preceding Quarter 31.12.2008 RM'000</b>
Revenue	485,824	491,976
Consolidated profit before taxation	73,970	69,907
Consolidated profit after taxation after minority interests	51,370	48,441

During the current financial quarter ended 31 March 2009, the Group recorded revenue of RM485.8 million, representing a decrease of 1.25% from RM492.0 million recorded in the preceding quarter.

Despite the lower sales revenue, the Group's profit before taxation increased from RM69.9 million in the preceding quarter to RM74.0 million. The increased in profit before tax was substantially attributed to lower production cost.

#### **B3. Prospects**

With the current continuing global financial crisis and economic slowdown, the economic growth in Malaysia and countries that the Group is operating is likely to have a negative impact. The Group, however, is continuing to address these challenges to maintain a satisfactory level of operating performance for the financial year ending 30 June 2009.

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Notes: - continued

**B4. Profit Forecast**

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

**B5. Taxation**

Tax comprises the following: -

	<b>Current Year Quarter 31.3.2009 RM'000</b>	<b>Current Year To Date 31.3.2009 RM'000</b>
Tax charged for the period	8,274	33,144
Transferred to deferred taxation	10,859	29,344
	-----	-----
	<u>19,133</u>	<u>62,488</u>

**B6. Sales of Unquoted Investment and /or Properties**

There was no sale of unquoted investment or properties during the current financial quarter.

**B7. Quoted Investment**

There was no purchase or sale of quoted investment during the current financial quarter and financial year to date.

The cost, carrying value and the market value of the quoted investment of the Group as at end of the current reporting quarter are:-

	<b>RM'000</b>
Cost	15
Carrying Value	15
Market Value	1

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Notes: - continued

**B8. Corporate Proposals**

Save for the following, there were no corporate proposals announced and pending as at the date of this report:-

In relation to the proposed issue by the Company via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, of up to USD200 million nominal value five (5) year guaranteed Exchangeable Bonds which are exchangeable into new ordinary shares of RM0.50 each in the Company ("the Proposed Exchangeable Bonds Issue"), the Company which had obtained from the Securities Commission ("SC") an extension of time up to 4 April 2009 to complete the Proposed Exchangeable Bonds Issue had on 20 March 2009 applied to the SC for a further extension of time up to 4 October 2009 ("Further Extension of Time") to complete the Proposed Exchangeable Bonds Issue. The SC had via its letter dated 3 April 2009 approved the Further Extension of Time.

The Proposed Exchangeable Bonds Issue is now pending implementation subject to prevailing market conditions.

**B9. Group Borrowings and Debt Securities**

The Group's borrowings from financial institutions as at end of the current financial period to date are as follows :

	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Total RM'000</b>
Secured	123,735	233,092	356,827
Unsecured	251,701	183,223	434,924
	<u>375,436</u>	<u>416,315</u>	<u>791,751</u>

The borrowings which are denominated in foreign currency are as follows :-

In Singapore Dollar ('000)	<u>2,000</u>
In US\$ ('000)	<u>50,000</u>

**B10. Off Balance Sheet Financial Instruments**

No off balance sheet financial instruments were utilised for the current financial quarter.

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**Notes: - continued**

**B11. Material litigation**

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

**B12. Dividend**

The Board of Directors declared a third interim dividend of 7.5% single-tier for the current financial year ending 30 June 2009 and the book closure and payment dates in respect of the aforesaid dividend are 30 June 2009 and 16 July 2009 respectively.

**B13. Earnings Per Share**

**i) Basic earnings /(loss) per share**

The basic earnings /(loss) per share of the Group has been computed by dividing the net profit for the financial quarter by the weighted average number of ordinary share in issue during the financial quarter, assuming full conversion of 482,481,758 nominal value 100% of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 (“ICULS”).

	<b>Current Quarter 31.3.2009</b>	<b>Preceding Year Corresponding Quarter 31.3.2008</b>
Net profit /(loss) for the period (RM'000)	51,370 =====	45,512 =====
Weighted average number of ordinary shares ('000)	469,272	469,509
Assumed full conversion of ICULS	177,383 ----- 646,655 =====	177,383 ----- 646,892 =====
Basic earnings per 50 sen share (sen)		
o Before Mandatory conversion of ICULS	10.95 =====	9.69 =====
o After Mandatory conversion of ICULS	7.94 =====	7.04 =====

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Notes: - continued

**ii) Diluted earnings /(loss) per share**

The diluted earnings /(loss) per share of the Group has been computed by dividing the net profit for the financial quarter by the adjusted weighted average number of ordinary share, assuming fully exercise of ESOS during the financial quarter.

	<b>Current Quarter 31.3.2009</b>	<b>Preceding Year Corresponding Quarter 31.3.2008</b>
Net profit /(loss) for the period (RM'000)	51,370 =====	45,512 =====
Weighted average number of ordinary shares('000)	646,655	646,892
-ordinary shares deemed issued for no consideration on assumed exercise of ESOS('000)	1,178 ----- 647,833 =====	4,451 ----- 651,343 =====
Diluted earnings per 50 sen share (sen)	7.93 =====	7.00 =====

**B14. Audit Report of preceding financial year ended 30 June 2008**

The audit report on the financial statements of the preceding financial year ended 30 June 2008 was not subject to any qualification.

By Order of the Board

HO SAY KENG  
Secretary

Kuala Lumpur  
Dated : 21 May 2009