

**YTL CEMENT BERHAD**

Company No. 31384-K

Incorporated in Malaysia

**Interim Financial Report**

**31 December 2010**

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the quarter ended 31 December 2010.  
The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2009 RM'000	6 MONTHS ENDED 31.12.2010 31.12.2009 RM'000 RM'000	
REVENUE	560,698	483,611	1,023,695	931,233
COST OF SALES	(353,305)	(303,400)	(630,754)	(573,864)
GROSS PROFIT	207,393	180,211	392,941	357,369
OTHER OPERATING EXPENSE	(85,490)	(80,305)	(162,776)	(148,864)
OTHER OPERATING INCOME	9,332	4,675	17,725	9,090
PROFIT FROM OPERATION	131,235	104,581	247,890	217,595
FINANCE COSTS	(9,107)	(9,036)	(18,169)	(15,622)
SHARE OF PROFIT OF ASSOCIATED COMPANIES	146	(749)	190	(698)
PROFIT BEFORE TAXATION	122,274	94,796	229,911	201,275
TAXATION	(14,005)	(6,598)	(26,367)	(19,821)
DEFERRED TAXATION	(17,218)	(19,308)	(32,515)	(33,908)
PROFIT FOR THE PERIOD	91,051	68,890	171,029	147,546
PROFIT ATTRIBUTABLE TO :				
OWNERS OF THE PARENT	81,793	56,463	154,414	125,737
NON-CONTROLLING INTERESTS	9,258	12,427	16,615	21,809
NET PROFIT FOR THE PERIOD	91,051	68,890	171,029	147,546
<b>EARNINGS PER SHARE</b>				
Basic (Sen)				
• Before Mandatory Conversion of ICULS	17.36	12.02	32.79	26.78
• After Mandatory Conversion of ICULS	11.59	8.01	21.88	17.83
Diluted (Sen)	11.53	7.96	21.77	17.74

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2009 RM'000	6 MONTHS ENDED 31.12.2010 31.12.2009 RM'000 RM'000	
PROFIT FOR THE PERIOD	91,051	68,890	171,029	147,546
OTHER COMPREHENSIVE INCOME/(LOSS):				
CURRENCY TRANSLATION DIFFERENCES	2,558	(1,490)	2,655	(4,204)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	2,558	(1,490)	2,655	(4,204)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	93,609	67,400	173,684	143,342
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :				
OWNERS OF THE PARENT	84,351	54,973	157,069	121,533
NON-CONTROLLING INTERESTS	9,258	12,427	16,615	21,809
	93,609	67,400	173,684	143,342

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED AS AT 31.12.2010</b>	<b>AUDITED AS AT 30.6.2010</b>
	<b>RM'000</b>	<b>RM'000 RESTATED</b>
<b>ASSETS</b>		
<b>Non-current Asset</b>		
Property, plant & equipment	1,773,588	1,809,724
Investment properties	12,617	12,617
Investment in associated companies	5,381	5,191
Development expenditure	34,881	34,881
Goodwill on consolidation	142,995	142,995
	-----	-----
	1,969,462	2,005,408
	-----	-----
<b>Current Assets</b>		
Inventories	175,891	135,924
Trade receivables	265,042	269,752
Tax recoverable	3,233	7,003
Other receivables	39,010	55,786
Inter-company balances	8,582	10,267
Deposits, bank & cash balances	1,024,151	921,977
	-----	-----
	1,515,909	1,400,709
	-----	-----
<b>TOTAL ASSETS</b>	<b>3,485,371</b>	<b>3,406,117</b>
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued**

	<b>UNAUDITED AS AT 31.12.2010  RM'000</b>	<b>AUDITED AS AT 30.6.2010  RM'000 RESTATED</b>
<b>EQUITY</b>		
Shares capital	246,366	246,078
Share premium	125,194	124,304
Other reserves	660	(2,440)
Retained profits	1,353,706	1,158,763
ICULS - equity component	369,488	370,295
Treasury shares, at cost	(83,761)	(83,403)
	-----	-----
<b>Total Equity Attributable to Owners of the Parent</b>	<b>2,011,653</b>	<b>1,813,597</b>
<b>Non-Controlling Interests</b>	<b>5,986</b>	<b>239,735</b>
	-----	-----
<b>TOTAL EQUITY</b>	<b>2,017,639</b>	<b>2,053,332</b>
	-----	-----
<b>LIABILITIES</b>		
Other payables	20,712	20,580
Bank borrowings	451,157	392,554
Hire purchase creditors	4,381	5,799
Deferred taxation	150,485	117,970
ICULS - liability component	103,698	111,254
	-----	-----
<b>Total Non-current Liabilities</b>	<b>730,433</b>	<b>648,157</b>
	-----	-----
Trade payables	169,980	160,270
Other payables	212,297	183,479
Hire purchase creditors	4,377	5,453
Inter-company balances	1,717	12,428
Short term borrowings	333,974	315,534
Provision for taxation	14,954	9,809
Proposed dividend	-	17,655
	-----	-----
<b>Total Current Liabilities</b>	<b>737,299</b>	<b>704,628</b>
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>1,467,732</b>	<b>1,352,785</b>
	-----	-----
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,485,371</b>	<b>3,406,117</b>
	=====	=====
Net assets per 50 sen share (RM)	4.27	3.85
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010**

-----Attributable to Owners of the Parent-----

	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	Non-Controlling Interests RM'000	Total Equity RM'000
As at 1 July 2010										
-as previous reported	246,078	124,304	-	(2,440)	1,158,763	(83,403)	370,295	1,813,597	239,735	2,053,332
Profit for the period					154,414			154,414	16,615	171,029
Other comprehensive income				2,655				2,655		2,655
Total comprehensive income for the period	-	-	-	2,655	154,414	-	-	157,069	16,615	173,684
Irredeemable Convertible Unsecured Loan Stocks							(807)	(807)		(807)
Dividend paid/declared					(8,837)			(8,837)	(300)	(9,137)
Treasury shares						(358)		(358)		(358)
Issue of Share Capital	288	890	-	-	-	-	-	1,178		1,178
Acquisition of Subsidiary Share-based payment under ESOS				445	-	-	-	445	(250,064)	(200,698)
As at 31 December 2010	246,366	125,194	-	660	1,353,706	(83,761)	369,488	2,011,653	5,986	2,017,639

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

	-----Attributable to Owners of the Parent-----									
	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	Non-Controlling Interest RM'000	Total Equity RM'000
As at 1 July 2009										
-as previous reported	245,277	121,802	-	8,011	951,260	(82,832)	372,221	1,615,739	195,786	1,811,525
Profit for the period					125,737			125,737	21,809	147,546
Other comprehensive income				(4,204)				(4,204)		(4,204)
Total comprehensive income for the period	-	-	-	(4,204)	125,737	-	-	121,533	21,809	143,342
Irredeemable Convertible Unsecured Loan Stocks							(1,574)	(1,574)		(1,574)
Dividend paid					(8,822)			(8,822)		(8,822)
Treasury shares						(93)		(93)		(93)
Issue of Share Capital	589	1,806	-	-	-	-	-	2,395		2,395
Acquisition of Subsidiary								-	-	-
Share-based payment under ESOS	-	-	-	337	-	-	-	337	-	337
As at 31 December 2009	245,866	123,608	-	4,144	1,068,175	(82,925)	370,647	1,729,515	217,595	1,947,110

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements



**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>FOR THE SIX MONTHS ENDED</b>	
	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	277,476	231,802
	=====	=====
Net cash used in investing activities	(223,879)	(30,136)
	=====	=====
Net cash generated from/ (used in) financing activities	48,577	(74,559)
	=====	=====
Net changes in cash and cash equivalents	102,174	127,107
Cash and cash equivalents at beginning of the year	921,977	633,758
	-----	-----
Cash and cash equivalents at end of the period (note a)	1,024,151	760,865
	=====	=====

**Note (a)**

Cash and cash equivalents at the end of the period comprise:

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	936,735	688,986
Cash and bank balances	87,416	71,879
	-----	-----
	1,024,151	760,865
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

## **INTERIM FINANCIAL REPORT**

### **Disclosure requirements pursuant to FRS 134 – paragraph 16**

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2010.

#### **A1. Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ('FRS') 134 Interim Financial Reporting and Chapter 9, Part K of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ('Bursa Securities').

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2010.

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the latest audited annual financial statements except for the adoption of new and revised FRSs, amendments to FRSs and Interpretation Committee ('IC') Interpretations which were effective for financial period beginning 1 July 2010.

The adoption of the new and revised FRSs, amendments to FRSs and IC Interpretations do not have significant financial impact on the Group other than the effects of the following FRSs:

##### FRS 101(revised) Presentation of Financial Statements

The revised FRS 101 requires all non-owner changes in equity to be presented either in a single statement of comprehensive income or in two statements which comprise a separate income statement and statement of comprehensive income. The Group has elected to present the statement of comprehensive income in two statements if there is any comprehensive income being recognised in the period.

There is no impact on the financial position of the Group since these changes affect only the presentation of items of income and expenses. The Group has adopted the standard retrospectively.

##### FRS 7 Financial Instruments: Disclosures

FRS 7 requires extensive disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments. Such information will be disclosed in the audited annual financial statements of the Group.

##### Amendment to FRS 117 Leases

With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incidental to ownership lies. Accordingly, the Group has reclassified its leasehold land to property, plant and equipment. This change in classification has no effect on the financial position of the Group.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

The reclassification has been accounted for retrospectively in accordance with the transitional provision and comparative balances have been restated as follows:.

	<b>As previously reported RM'000</b>	<b>Effect of change RM'000</b>	<b>As restated RM'000</b>
<b>30 June 2010</b>			
Prepaid payment on leasehold land	63,366	(63,366)	-
Property, plant & equipment	1,746,358	63,366	1,809,724

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. It also sets out the requirements for the application of hedge accounting.

Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the end of each reporting period reflects the designation of the financial instrument. The Group determines the classification at initial recognition and re-evaluates this designation at each year end except for those financial instruments measured at fair value through profit or loss.

**Financial Assets**

(i) Loans and Receivables

Prior to 1 July 2010, loans and receivables were stated at gross proceeds receivables less allowance for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

**Financial Liabilities**

(i) Borrowings

Prior to 1 July 2010, borrowings were stated at the proceeds received less directly attributable transaction costs. Under FRS 139, borrowings are initially measured at fair value plus directly attributable transaction costs and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised or through the amortisation process.

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 30 June 2010 are not restated.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**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 significant change to estimate of amount reported in prior interim periods or 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 80,700 ordinary shares of its issued share capital from the open market for a total consideration of RM358,106 at an average cost of RM4.44 per share. During the quarter ended 31 December 2010, a total of 51,500 ordinary shares were purchased from the open market for a total consideration of RM237,580 at an average cost of RM4.61 per share. The shares are being held as treasury shares. As at 31 December 2010, the total shares bought back, all of which are held as treasury shares, amounted to 21,424,664 ordinary shares.
- (ii) During the current financial quarter, a total of 42,000 ordinary shares of 50 sen each were issued at exercise price of RM2.08 pursuant to the exercise of employees' share option scheme ('ESOS'). For the current financial year todate, a total of 95,000 ordinary shares of 50 sen each were issued at an exercise price of RM2.08 pursuant to the exercise of ESOS.
- (iii) During the current financial quarter, a total of 420,781 ordinary shares of RM0.50 each were issued pursuant to the conversion of RM858,396 Nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015. For the current financial year todate, a total of 480,781 ordinary shares of RM0.50 each were issued pursuant to the conversion of RM980,798 Nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A6. Dividend**

A third interim single tier dividend of 7.5% or 3.75 sen per ordinary share of 50 sen each amounting to RM17,655,440 in respect of the financial year ended 30 June 2010 was paid on 15 July 2010.

A final single tier dividend 3.75% or 1.875 sen per ordinary share of 50 sen each amounting to RM8,837,006 in respect of the financial year ended 30 June 2010 was paid on 23 December 2010.

**A7. Segment Information**

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 23 February 2011 except for the following:-

In relation to the application by Specialist Cement Sdn Bhd ('Specialist Cement'), an 85%-owned subsidiary of Buildcon Concrete Enterprise Sdn Bhd (a wholly-owned subsidiary of the Company), for striking off its name from the register of companies of the Companies Commission of Malaysia ('CCM') ('Companies Register') pursuant to the provisions of Section 308 of the Companies Act, 1965 ('the Act'), Specialist Cement had on 28 January 2011 received the final striking off notice from the CCM dated 13 January 2011 pursuant to Section 308(4) of the Act that the name of Specialist Cement has been struck off the list of the Companies Register.

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

There were no changes in the composition of the Group for the financial period ended 31 December 2010, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

On 24 September 2010, the Company announced that Gopeng Berhad ('Gopeng') had accepted its offer to purchase 117,742,000 ordinary shares of RM1.00 each ('Sale Shares'), representing 35.16% of the issued and paid-up capital of Perak-Hanjoong Simen Sdn Bhd ('Perak-Hanjoong'), for a cash consideration of RM200,000,000.00 ('Acquisition'). A sale and purchase agreement was entered into between the Company and Gopeng on 20 October 2010. The Acquisition was completed on 10 December 2010. The Sale Shares were registered in the name of the Company on 27 December 2010. Consequent thereto, Perak-Hanjoong became a wholly-owned subsidiary of the Company with the Company having direct holdings of 334,899,999 shares and indirect holding of 1 share via YTL Cement Marketing Sdn Bhd (a wholly-owned subsidiary of the Company).

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A10. Changes in Contingent Liabilities**

There were no material changes in the contingent liabilities of the Group since the last financial year ended 30 June 2010 except for the following:-

The Company had given corporate guarantees to financial institutions for facilities granted by the financial institutions to its subsidiaries, details set out 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	381,150 =====	381,150 =====

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**INTERIM FINANCIAL REPORT**

**Disclosure requirements per Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities**

**B1. Review of Performance**

During the current financial quarter ended 31 December 2010, the Group recorded revenue of RM560.7 million, representing an increase of 15.94% as compared to RM483.6 million recorded in the preceding year corresponding quarter ended 31 December 2009.

In tandem with the increase in revenue, the Group recorded profit before taxation of RM122.3 million representing an increase of 28.99% as compared to RM94.8 million recorded in the preceding year corresponding quarter ended 31 December 2009. The increase in revenue and profit before tax were substantially attributed to higher demand for cement in the construction industry and consolidation of the results of Batu Tiga Quarry Sdn Bhd Group in the period under review.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.12.2010 RM'000</b>	<b>Preceding Quarter 30.09.2010 RM'000</b>
Revenue	560,698	462,997
Consolidated profit before taxation	122,274	107,636
Consolidated profit after taxation after non-controlling interests	81,793	72,621

During the current financial quarter ended 31 December 2010, the Group recorded revenue of RM560.7 million, representing an increase of 21.10% from RM463 million recorded in the preceding quarter.

In tandem with the increase in revenue, the Group's profit before taxation increased from RM107.6 million in the preceding quarter to RM122.3 million. The increase in profit before tax was substantially attributed to higher demand for cement in the construction industry and improved performance of the Group's overseas operations for the period under review.

**B3. Prospects**

The Group, after considering the Group's current level of operations and current market conditions, is expected to achieve satisfactory performance for the financial year ending 30 June 2011.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B4. Profit Forecast**

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

**B5. Taxation**

Tax comprises the following: -

	<b>Current Year Quarter 31.12.2010 RM'000</b>	<b>Current Year To Date 31.12.2010 RM'000</b>
Tax charged for the period	14,005	26,367
Transferred to deferred taxation	17,218	32,515
	-----	-----
	31,223	58,882
	=====	=====

The provision for taxation for the current quarter and current year to date reflects an effective rate which approximates to the Statutory Income Tax Rates of the countries where the Group operates.

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

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

**B7. Quoted Investments**

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

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B8. Corporate Proposals**

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

- (i) 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-year guaranteed Exchangeable Bonds which are exchangeable into new ordinary shares of RM0.50 each in the Company (“the Proposed Exchangeable Bonds Issue”), the Securities Commission has vide its letter dated 3 November 2010 granted the Company an extension of time up to 4 April 2011 to complete the Proposed Exchangeable Bonds Issue.

Shareholders of the Company had at the Annual General Meeting held on 30 November 2010 approved the renewal of the authority for the directors to allot and issue such number of new ordinary shares of RM0.50 each in the Company which are required to be issued upon exchange of the Exchangeable Bonds in accordance with the terms of exchange and/or upon any adjustments of the exchange price of the Exchangeable Bonds.

- (ii) On 15 October 2010, the Company announced the proposed establishment and implementation of a new employees share option scheme (‘ESOS’) for the eligible employees and directors of the Company and/or its subsidiaries (collectively referred to as the ‘Proposed 2010 Scheme’) in place of the existing ESOS scheme of the companies which will be expiring on 30 November 2011. The Proposed 2010 Scheme has been approved by the shareholders of the Company at the Extraordinary General Meeting held on 30 November 2010 and is now pending implementation.

**B9. Group Borrowings and Debt Securities**

The Group’s borrowings from financial institutions as at 31 December 2010 are as follows :

	<b>Short term RM’000</b>	<b>Long term RM’000</b>	<b>Total RM’000</b>
Secured	73,344	275,007	348,351
Unsecured	260,630	176,150	436,780
	----- 333,974	----- 451,157	----- 785,131
	=====	=====	=====

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

In US Dollar (‘000)	50,000
	=====

**B10. Derivatives Financial Instruments**

No derivatives financial instruments were utilised for the current financial quarter.

**INTERIM FINANCIAL REPORT**

**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 second interim single tier dividend of 7.5 % or 3.75 sen per ordinary share of 50 sen each for the current financial year ending 30 June 2011 and the book closure and payment dates in respect of the aforesaid dividend are 16 March 2011 and 31 March 2011 respectively.

**B13. Retained Earnings**

	<b>As at 31.12.2010 RM'000</b>	<b>As at 30.09.2010 RM'000</b>
Retained earnings/ (accumulated losses) of YTL Cement and its subsidiaries		
- Realised	1,616,015	1,518,200
- Unrealised	(151,086)	(134,846)
	-----	-----
	1,464,929	1,383,354
Retained earnings/ (accumulated losses) from associated companies:		
- Realised	1,681	1,534
- Unrealised	-	-
	-----	-----
	1,466,610	1,384,888
Less: Consolidated adjustments	(112,904)	(153,504)
	-----	-----
Total Group retained earnings as per consolidated accounts	1,353,706	1,231,384
	=====	=====

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B14. Earnings Per Share**

**i) Basic earnings per share**

The basic earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent for the financial quarter by the weighted average number of ordinary share in issue during the financial quarter, assuming full conversion of 479,040,700 nominal value 100% of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 ('ICULS').

	<b>Current Quarter 31.12.2010</b>	<b>Preceding Year Corresponding Quarter 31.12.2009</b>
Profit attributable to Owners of the Parent (RM'000)	81,793 =====	56,463 =====
Weighted average number of ordinary shares ('000)	471,123	469,774
Assumed full conversion of ICULS	234,824 ----- 705,947 =====	235,516 ----- 705,290 =====
Basic earnings per 50 sen share (sen)		
o Before Mandatory conversion of ICULS	17.36 =====	12.02 =====
o After Mandatory conversion of ICULS	11.59 =====	8.01 =====

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**ii) Diluted earnings per share**

The diluted earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent 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 31.12.2010</b>	<b>Preceding Year Corresponding Quarter 31.12.2009</b>
Profit attributable to Owners of the Parent (RM'000)	81,793 =====	56,463 =====
Weighted average number of ordinary shares('000)	705,947	705,290
-ordinary shares deemed issued for no consideration on assumed exercise of ESOS('000)	3,735 -----	3,648 -----
	709,682 =====	708,938 =====
Diluted earnings per 50 sen share (sen)	11.53 =====	7.96 =====

**B15. Audit Report of the preceding financial year ended 30 June 2010**

The Auditors' Report on the financial statements of the financial year ended 30 June 2010 did not contain any qualification.

By Order of the Board

HO SAY KENG  
Secretary

Kuala Lumpur  
Dated : 24 February 2011