

General Announcement

Submitted

* Company name	LAFARGE MALAYSIA BERHAD
* Stock name	LAFMSIA
* Stock code	3794
* Contact person	Katina Nurani Binti Abd Rahim
* Designation	Company Secretary
* Contact number	03-77238469
E-mail address	katina-nurani.abd-rahim@lafarge.com

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Description *:-

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LAFARGE MALAYSIA BERHAD ("LMB" OR "THE COMPANY") - DISPOSAL OF 81.19% EQUITY INTEREST IN MORELASTIC GREEN RESOURCES PTE LTD ("MGR")

Announcement Details/Table Section :-

(This field is for the details of the announcement, if applicable)

1. INTRODUCTION

1.1 The Board of Directors of Lafarge Malaysia Berhad ("**LMB**") wishes to inform Bursa Malaysia Securities Berhad that its wholly-owned subsidiary, LMCB Holding Pte Ltd ("**LMCBH**") had on 10th day of December, 2014 entered into a Share Purchase Agreement ("**Agreement**") with Morelastic Green Pte Ltd ("**Purchaser**") for the disposal of 1,230,000 ordinary shares of SGD1.00 each in the capital of Morelastic Green Resources Pte Ltd ("**MGR**") representing its entire shareholding interest in the capital of MGR, at a consideration of SGD824,100.00 only ("**Purchase Consideration**").

Upon the completion of the Disposal, MGR shall cease to be a subsidiary of LMB.

2. INFORMATION ON THE PURCHASER

2.1 Morelastic Green Pte Ltd has its registered address at 362 Upper Paya Lebar Road, #01-11 Da Jin Factory Building, Singapore 534963. Prior to the Disposal, the Purchaser was LMCBH's joint venture partner in MGR whereby it held 285,000 ordinary shares of SGD1.00 each in the capital of MGR.

3. TERMS OF PAYMENT AND BASIS OF CONSIDERATION

3.1 The Purchaser shall pay the entire Purchase Consideration within fourteen (14) days from the Agreement becoming unconditional. The Agreement is conditional upon the full and final settlement of all loans granted to MGR by LMCBH and/or LMB and the obtaining of all the relevant Board of Directors' approvals and requisite consents and/or approval of authorities as may be required.

3.2 The Purchase Consideration was arrived at based on the value of shareholders' funds of MGR in the Management Accounts as at 31 July 2014. The total consideration is based on the net assets value of MGR after taking into account the settlement of all the inter-company advances owing by MGR to LMCBH and/or LMB.

4. UTILISATION OF PROCEEDS

The proceeds from the Disposal will be utilised for LMCBH's working capital purposes.

5. RATIONALE

5.1 The Disposal will enable LMB and LMCBH to realize its investment that is not considered as strategic and synergistic to its other operations in the LMB Group.

6. EFFECTS OF THE DISPOSAL

6.1 The Disposal is not expected to have any material financial effects on the earnings and net tangible assets of LMB and LMCBH.

7. STATEMENT OF DIRECTORS

7.1 The Directors of LMB, having considered all aspects of the Disposal, are of the opinion that the transaction is in the best interest of LMB.

8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

8.1 None of the directors and/or major Shareholders and/or persons connected with a director or major shareholder has any interest, direct or indirect, in the Disposal.

9. APPROVAL REQUIRED

9.1 The Disposal is not subject to the approval of the shareholders of LMB.

This announcement is dated 10 December 2014.