

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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(Note : If this is a long announcement, please summarize the announcement in this field and enter the announcement details in the Announcement Details/Table Section or attach the full announcement details as an attachment)

LMCB HOLDINGS PTE LTD ("LMCBH") SINGAPORE INCOME TAX - YEAR OF ASSESSMENT 2004 - 2007 - CLAIM BY SINGAPOREAN COMPTROLLER OF INCOME TAX ("COMPTROLLER") AGAINST LMCB HOLDING PTE LTD ("LMCBH") AND LAFARGE MALAYSIA BERHAD ("LMB") IN THE HIGH COURT OF SINGAPORE

We refer to our announcements dated 17 June 2014 and 20 June 2014.

By those announcements, we announced that LMB have been served with a Writ of Summons in respect of a claim in the High Court of Singapore by the Comptroller for, among other things, the repayment of the sum of SGD9,589,816.84, damages to be assessed, tracing, interest and costs ("Writ").

We now wish to announce as follows:

- 1) The Writ was filed in High Court of the Republic of Singapore on 2 May 2014. The Writ was served on LMB on 17 June 2014.
- 2) The particulars of the claim under the Writ are as follows:
 - (i) Repayment of the sum of SGD9,589,816.84;
 - (ii) Further or in the alternative, damages to be assessed;
 - (iii) Further or in the alternative, tracing;
 - (iv) Interest pursuant to section 12 of the Singaporean Civil Law Act (the amount claimed is not stated in the Writ);
 - (v) Costs; and
 - (vi) Such further and/or other relief as the Court deems fit.

- 3) The details of the circumstances leading to the filing of the Writ are as follows:
- (i) LMCBH received from Inland Revenue Authority of Singapore (IRAS) tax refunds for Years of Assessment (“YA”) 2004 to 2006 amounting to SGD9,593,000 in January 2005, September 2005 and November 2006.
 - (ii) Expected refunds for YA 2007 and 2008 amounting to SGD7,525,000 were recognised as a tax receivable in our financial statements for the relevant financial periods.
 - (iii) In 2008, LMCBH received Notices of Additional Assessment from the Comptroller for YA 2004 to 2006 by which the Comptroller sought a return of the refunds made for those years, and a Notice of Original Assessment for YA 2007 giving rise to a tax payable instead of a tax receivable in that YA.
 - (iv) In October 2008, LMCBH appealed to the Income Tax Board of Review (“Board”) against all the Notices of Additional Assessment received for YA 2004 to 2006 and the Notice of Original Assessment for YA 2007. The Board upheld the decision of the Comptroller.
 - (v) In April 2011, LMCBH filed an appeal to the High Court against the decision at the Board.
 - (vi) In December 2012, the High Court allowed LMCBH’s appeal against the Notices of Additional Assessment in connection with the tax refunds received by LMCBH for YA 2004 to 2006. The High Court also discharged the Notice of Original Assessment for YA 2007.
 - (vii) In January 2013, LMCBH and the Comptroller filed appeals to the Court of Appeal against the aspects of the High Court decision that were unfavourable to them.
 - (viii) On 26 February 2014, the Court of Appeal issued its written grounds of decision. The Court of Appeal disallowed the Comptroller’s appeal in respect of the YA 2004 to 2006 Notices of Additional Assessment and allowed the Comptroller’s appeal in respect of the YA 2007 Notice of Original Assessment. The Court of Appeal also disallowed LMCBH’s appeal against certain other aspects of the High Court decision which were unfavourable to LMCBH. As a result of the Court of Appeal’s decision, the sum of SGD9,593,000 which was refunded to LMCBH for YA 2004 to 2006 was unaffected, and it was decided that the amount of SGD3,971,977.60 for YA 2007 will not be refunded to LMCBH.
 - (ix) In June 2014, the Comptroller filed the Writ.
- 4) LMCBH is an investment holding company and is not a major subsidiary of LMB.
- 5) LMCBH is a wholly owned subsidiary of LMB. Its’ paid up share capital is SGD2.00.
- 6) The Writ will not have any material adverse impact on the Group’s financial position or its operations. If the claim for the repayment of the sum of SGD9,589,816.84 is successful, there will be a return of the amounts of tax refunded to LMCBH previously.
- 7) In view of (6), no losses are expected to arise in the event that the claim is successful.

Further announcement on any material development in this matter will be made in due course.

This announcement is dated 20 June 2014

Announcement Details/Table Section :-

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

Attachment(s):-

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