

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

	4th Quarter Ended		Financial Year Ended	
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
Revenue	684,612	750,574	2,743,090	2,852,400
Operating expenses	(582,775)	(541,464)	(2,249,591)	(2,201,227)
Depreciation and amortisation	(39,548)	(41,365)	(158,712)	(149,137)
Other income/(expenses)	4,545	(2,282)	(6,925)	(3,731)
Investment income	1,970	1,812	7,420	7,686
Interest income	1,589	1,175	9,565	6,343
Profit from operations	70,393	168,450	344,847	512,334
Finance cost	119	634	(845)	(472)
Share in results of associate	(136)	987	1,181	3,028
Profit before tax	70,376	170,071	345,183	514,890
Income tax expense	(20,732)	(59,304)	(89,176)	(147,772)
Profit for the period/year	49,644	110,767	256,007	367,118
Other comprehensive income/(loss), Items that will not be reclassified subsequently to profit or loss:				
Defined benefit retirement plan actuarial gains/(losses)	12,003	(2,001)	12,003	(2,001)
	12,003	(2,001)	12,003	(2,001)
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(1,507)	(4,643)	1,719	(3,464)
Reclassification of exchange reserve to profit and loss on disposal of foreign subsidiary	(188)	-	(188)	-
Net change in cash flow hedges	874	140	1,144	261
Total other comprehensive income/(loss) for the period/year, net of tax	11,182	(6,504)	14,678	(5,204)
Total comprehensive income for the period/year	60,826	104,263	270,685	361,914
Profit/(Loss) attributable to:				
Owners of the Company	49,935	110,665	255,996	366,630
Non-controlling interests	(291)	102	11	488
	49,644	110,767	256,007	367,118

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

	4 th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income/(loss) attributable to:				
Owners of the Company	61,105	104,166	270,661	361,409
Non-controlling interests	(279)	97	24	505
	60,826	104,263	270,685	361,914
Basic and diluted earnings per share (sen)	5.9	13.0	30.1	43.2

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31st December 2013 and the accompanying explanatory notes attached to the interim financial statements)

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

	Note	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment		1,466,860	1,508,392
Investment property		3,289	3,314
Prepaid lease payments on leasehold land		97,537	105,759
Goodwill on consolidation		1,203,677	1,205,504
Other intangible assets		2,678	2,954
Investment in associate		22,713	21,463
Other financial assets		2,189	1,815
Deferred tax assets		2,758	2,963
		2,801,701	2,852,164
<u>Current assets</u>			
Inventories		275,359	255,337
Current tax assets		27,182	1,719
Trade receivables		372,013	419,304
Other receivables and prepaid expenses		37,287	38,483
Amounts owing by holding and other related companies		13,933	28,522
Derivative financial assets	B10	2,288	717
Term deposits		191,092	262,826
Cash and bank balances		269,777	188,024
		1,188,931	1,194,932
Total assets		3,990,632	4,047,096
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Share capital		849,695	849,695
Reserves:			
Share premium		1,067,199	1,067,199
Exchange equalisation reserve		37,127	35,609
Capital redemption reserve		33,798	33,798
Investments revaluation reserve		36	36
Hedging reserve		1,419	275
Retained earnings		1,131,447	1,228,818
Equity attributable to owners of the Company		3,120,721	3,215,430
Non-controlling interests		4,223	4,199
Total equity		3,124,944	3,219,629

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

	Note	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
<u>Non-current liabilities</u>			
Borrowings	B9	-	11
Retirement benefits		60,009	68,869
Deferred tax liabilities		193,365	214,659
		<u>253,374</u>	<u>283,539</u>
<u>Current liabilities</u>			
Trade payables		426,299	339,745
Other payables and accrued expenses		95,064	101,272
Amounts owing to holding and other related companies		21,925	17,278
Borrowings	B9	11	477
Derivative financial liabilities	B10	69	-
Tax liabilities		970	17,180
Dividend payable		67,976	67,976
		<u>612,314</u>	<u>543,928</u>
Total liabilities		<u>865,688</u>	<u>827,467</u>
Total equity and liabilities		<u>3,990,632</u>	<u>4,047,096</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>3.67</u>	<u>3.78</u>
Net tangible assets per share attributable to ordinary equity holders of the Company (RM)		<u>2.25</u>	<u>2.36</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31st December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

LAFARGE MALAYSIA BERHAD (1877-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →							Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	← Non-distributable →				Distributable					
	Share Capital RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Exchange Equalisation Reserve RM'000	Investment Revaluation Reserve RM'000	Hedging Reserve RM'000	Retained Earnings RM'000			
As at 1 January 2014	849,695	1,067,199	33,798	35,609	36	275	1,228,818	3,215,430	4,199	3,219,629
Profit for the year	-	-	-	-	-	-	255,996	255,996	11	256,007
Other comprehensive income for the year, net of tax	-	-	-	1,518	-	1,144	12,003	14,665	13	14,678
Dividends	-	-	-	-	-	-	(365,370)	(365,370)	-	(365,370)
As at 31 December 2014	849,695	1,067,199	33,798	37,127	36	1,419	1,131,447	3,120,721	4,223	3,124,944
As at 1 January 2013	849,695	1,067,199	33,798	39,090	36	14	1,178,321	3,168,153	4,467	3,172,620
Profit for the year	-	-	-	-	-	-	366,630	366,630	488	367,118
Other comprehensive income/(loss) for the year, net of tax	-	-	-	(3,481)	-	261	(2,001)	(5,221)	17	(5,204)
Changes in ownership with no loss of control	-	-	-	-	-	-	256	256	(773)	(517)
Dividends	-	-	-	-	-	-	(314,388)	(314,388)	-	(314,388)
As at 31 December 2013	849,695	1,067,199	33,798	35,609	36	275	1,228,818	3,215,430	4,199	3,219,629

(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 2013 and the accompanying explanatory notes attached to the interim financial statements)

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

	Financial Year Ended	
	31 December	31 December
	2014	2013
	RM'000	RM'000
<u>Cash Flows From Operating Activities</u>		
Profit before tax	345,183	514,890
Adjustments for:-		
Allowance for inventory obsolescence	9,985	7,521
Amortisation of:		
- other intangible assets	276	479
- prepaid lease payments on leasehold land	7,663	6,962
Depreciation of:		
- investment property	25	31
- property, plant and equipment	150,748	141,665
Derivative loss/(gain)	338	(174)
Dividend income	(133)	(815)
Finance cost	845	472
Impairment loss recognised on trade receivables	3,050	2,783
Impairment loss recognised on investment properties	-	187
Impairment loss recognised on goodwill	-	385
Interest income	(9,565)	(6,343)
Gain on disposal of:		
- property, plant and equipment	(2,609)	(73)
- prepaid lease payment on leasehold land	(1,058)	-
Loss on disposal of a subsidiary	2,011	-
Property, plant and equipment written off	5,936	5,860
Provision for retirement benefits	9,789	8,131
Reversal of impairment loss on trade receivables	(1,982)	(1,129)
Unrealised gain on foreign exchange	(2,051)	(4,484)
Share in results of associate	(1,181)	(3,028)
Operating profit before changes in working capital	517,270	673,320
Decrease /(Increase) in:		
Inventories	(29,896)	19,510
Receivables	47,539	(79,856)
Amounts owing by holding and other related companies	18,002	(2,054)
Increase/(Decrease) in:		
Payables	68,102	9,584
Amounts owing to holding and other related companies	(1,034)	(15,602)
Cash generated from operations	619,983	604,902
Retirement benefits paid	(3,039)	(1,704)
Tax paid	(156,024)	(149,071)
Net cash generated from operating activities	460,920	454,127

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

	Financial Year Ended	
	31 December	31 December
	2014	2013
	RM'000	RM'000
<u>Cash Flows From Investing Activities</u>		
Additions to property, plant and equipment	(102,775)	(53,650)
Dividend received	2,716	815
Interest received	9,565	6,343
Proceeds from disposal of:		
- property, plant and equipment	3,803	3,401
- prepaid lease payment on leasehold land	1,668	-
Acquisition of additional interest in a subsidiary	-	(517)
Net cash inflow on disposal of subsidiary	1,084	-
Net cash used in investing activities	<u>(83,939)</u>	<u>(43,608)</u>
<u>Cash Flows From Financing Activities</u>		
Dividends paid	(365,370)	(314,388)
Interest paid	(845)	(494)
Repayment of borrowings	(477)	(1,219)
Net cash used in financing activities	<u>(366,692)</u>	<u>(316,101)</u>
Net Change in Cash and Cash Equivalents	10,289	94,418
Effects of currency translations	(270)	2,430
Cash and Cash Equivalents at beginning of the year	<u>450,850</u>	<u>354,002</u>
Cash and Cash Equivalents at end of the year	<u><u>460,869</u></u>	<u><u>450,850</u></u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31st December 2013 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYSIA BERHAD (1877-T)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. Basis of Preparation

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 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 2013. The audited financial statements of the Group for the year ended 31 December 2013 were prepared in accordance with MFRS and International Financial Reporting Standards (“IFRS”). 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 2013.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013, except for the adoption of the following MFRSs and amendments to MFRSs:

Adoption of Amendments to MFRSs

Effective for annual periods beginning on or after 1 January 2014:

Amendments to MFRS 10, Investment Entities

MFRS 12 and MFRS 127

Amendments to MFRS 132 Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)

Amendments to MFRS 136 Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)

The adoption of the abovementioned Amendments to MFRSs has no significant effect to the Group’s consolidated financial statements of the current quarter or comparative consolidated financial statements of the prior financial year.

The Group has not adopted the following new and revised MFRSs that have been issued but are not yet effective

MFRS 9

Financial Instruments⁴

MFRS 15

Revenue from Contracts with Customers³

Amendments to MFRS 10,
MFRS 12 and MFRS 128

Investment Entities: Applying the Consolidation Exception²

Amendments to MFRS 10 and
MFRS 128

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture²

Amendments to MFRS 11

Accounting for Acquisitions of Interests in Joint Operations²

Amendments to MFRS 101

Disclosure Initiative²

Amendments to MFRS 116
and MFRS 138

Clarification of Acceptable Methods of Depreciation and Amortisation²

Amendments to MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions) ¹
Amendments to MFRS 127	Equity Method in Separate Financial Statements ²
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 – 2012 Cycle ¹	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 – 2013 Cycle ¹	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2012 – 2014 Cycle ²	

¹ Effective for annual periods beginning on or after 1 July 2014

² Effective for annual periods beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2017

⁴ Effective for annual periods beginning on or after 1 January 2018

The Directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

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. Dividend Paid

Dividends paid during the current financial year are as follows:

	RM'000
Third interim dividend paid on 22 January 2014 for the year ended 31 December 2013 - 8.0 sen single-tier dividend per ordinary share of RM1.00 each	67,976
Fourth interim dividend paid on 16 April 2014 for the year ended 31 December 2013 - 17.0 sen single-tier dividend per ordinary share of RM1.00 each	144,448
First interim dividend paid on 16 July 2014 for the year ended 31 December 2014 - 9.0 sen single-tier dividend per ordinary share of RM1.00 each	76,473
Second interim dividend paid on 15 October 2014 for the year ended 31 December 2014 - 9.0 sen single-tier dividend per ordinary share of RM1.00 each	76,473
	<u>365,370</u>

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 2014 amounting to RM67.976 million was paid on 14 January 2015.

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:

Full Year Ended 31 December	Cement		Aggregates & Concrete		Elimination		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Segment revenue								
External revenue	2,246,215	2,314,354	496,875	538,046	-	-	2,743,090	2,852,400
Internal revenue	294,066	267,885	3,753	1,338	(297,819)	(269,223)	-	-
	<u>2,540,281</u>	<u>2,582,239</u>	<u>500,628</u>	<u>539,384</u>	<u>(297,819)</u>	<u>(269,223)</u>	<u>2,743,090</u>	<u>2,852,400</u>
Segment profit /(loss)	<u>333,811</u>	<u>491,891</u>	<u>1,471</u>	<u>14,100</u>	<u>-</u>	<u>-</u>	<u>335,282</u>	<u>505,991</u>
Reconciliation of segment profit to consolidated profit before tax:								
Interest income							9,565	6,343
Finance cost							(845)	(472)
Share in results of associate							1,181	3,028
Consolidated profit before tax							<u>345,183</u>	<u>514,890</u>
Segment assets	<u>3,503,667</u>	<u>3,585,610</u>	<u>251,052</u>	<u>265,188</u>	<u>(279,798)</u>	<u>(282,501)</u>	<u>3,474,921</u>	<u>3,568,297</u>
Reconciliation of segment assets to consolidated total assets:								
Investment in associate							22,713	21,463
Unallocated corporate assets							492,998	457,336
Consolidated total assets							<u>3,990,632</u>	<u>4,047,096</u>
Segment liabilities	<u>747,928</u>	<u>674,373</u>	<u>202,526</u>	<u>203,649</u>	<u>(279,112)</u>	<u>(282,881)</u>	<u>671,342</u>	<u>595,141</u>
Reconciliation of segment liabilities to consolidated total liabilities:								
Interest bearing instruments							11	488
Unallocated corporate liabilities							194,335	231,838
Consolidated total liabilities							<u>865,688</u>	<u>827,467</u>

A10. 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.

A11. Material Events Subsequent to Quarter End

There were no material events subsequent to the current financial quarter 31 December 2014 up to the date of this report which are likely to substantially affect the results of the operations of the Group.

A12. Changes in Group Composition

On 10 December 2014, LMCB Holding Pte Ltd, a wholly owned subsidiary of the Company has entered into a Share Purchase Agreement for the disposal of 1,230,000 ordinary shares of SGD1.00 each, representing its entire shareholding interest of 81.19% in the capital of Morelastic Green Resources Pte Ltd, at a consideration of SGD824,100. The share disposal was completed on 10 December 2014. The loss on disposal of this subsidiary of RM2.01million is included in the profit for the quarter.

A13. Contingent Liabilities

The Group has no material contingent liabilities as at the date of this report.

A14. Commitments

Outstanding commitments in respect of capital commitments at end of reporting date not provided for in the financial statements are as follows:

	As at 31 December 2014 RM'000
In respect of capital expenditure:	
Approved and contracted for	83,878
Approved but not contracted for	47,372
	<u>131,250</u>

A15. 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
Associated International Cement Ltd	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	Subsidiary of Lafarge S.A.
Lafarge Asia Sdn Bhd	Subsidiary of Lafarge S.A.
Marine Cement Ltd	Subsidiary of Lafarge S.A.
PT Lafarge Cement Indonesia	Subsidiary of Lafarge S.A.
Lafarge Energy Solutions SAS	Subsidiary of Lafarge S.A.

The related party transactions for financial quarter ended 31 December 2014 are as follows:

Description of Transactions	RM'000
Ultimate holding company of the Company:	
Provision of trademark licence and general assistance fee	34,532
Specific technical assistance	1,869
Associate of the Group:	
Sales and/or purchase of cement and aggregates	48,165
Batching income	1,531
Management service fee	232
Subsidiaries of ultimate holding company of the Company:	
Sale and/or purchase of cement and clinker	198,460
Maintenance of hardware and software	7,627
Service fee for sourcing alternative fuel and raw materials	1,837
Rental income of office premises	676
Chartering of vessels	2,394
Administrative and supporting service fee	1,714
Service fees for sourcing supply of solid fuels	1,936

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 of RM684.6 million was 8.8% lower than the corresponding quarter in 2013. This was mainly attributable to the lower sales volumes coupled with lower prices for its cement and aggregates due to keen competition. The above was partially mitigated by the higher revenue contributed by Concrete segment mainly due to higher demand.

The Group registered profit before tax for the current quarter of RM70.4 million, or 58.6% lower compared to corresponding quarter last year of RM170.1 million mainly due to the lower revenue coupled with higher operating cost mainly arising from the increase in electricity tariff and maintenance costs.

Current Year

The Group's revenue of RM2.74 billion for the 12 months ended 31 December 2014 decreased by 3.8 % from corresponding period last year. This decrease was mainly attributed to the lower sales revenue arising from lower cement sales and lower sales from Concrete segment due to the completion of a major project. The Group registered profit before tax of RM345.2 million for 12 months ended 31 December 2014 compared with RM514.9 million in the corresponding period in 2013. This was mainly due to lower sales revenue combined with higher operating cost arising from the increase in electricity tariff, fuel subsidy removal and maintenance costs.

B2. Comparison with Preceding Quarter

	4th Quarter Ended 31 December 2014 RM'000	3rd Quarter Ended 30 September 2014 RM'000
Revenue	684,612	664,632
Profit before tax	<u>70,376</u>	<u>73,899</u>

Revenue in the current quarter increased by 3.0% compared to preceding quarter mainly due to better selling prices. Despite the higher revenue, profit before tax decreased by 4.8% due to higher operating cost.

B3. Prospects

The outlook of the construction sector is expected to remain positive in 2015 driven mainly by the continued progress of key infrastructure projects and on-going commercial and residential development. The Group will continue to focus on product quality and providing solutions to customers whilst improving its efficiency in the overall operations. The market will remain very competitive in the context of the recently installed and upcoming additional capacity by the industry players.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 31 December 2014.

B5. Income Tax Expense

Income tax expense comprises the following:

	4th Quarter Ended 31 December 2014 RM'000	Full Year Ended 31 December 2014 RM'000
In respect of current year:		
- income tax	33,526	115,268
- deferred tax	(12,731)	(25,315)
 In respect of prior year:		
- income tax	(182)	(942)
- deferred tax	119	165
Total tax expense	<u>20,732</u>	<u>89,176</u>

The Group's effective tax rate for the current quarter is above the statutory tax rate of 25% in Malaysia mainly due to non tax-deductible expenses in certain subsidiaries.

B6. Profit for the Period/Year

	4th Quarter Ended		Full Year Ended	
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
Profit for the period/year is arrived after charging:				
Allowance for inventory obsolescence	2,249	1,622	9,985	7,521
Amortisation of:				
- other intangible assets	69	89	276	479
- prepaid lease payments on leasehold land	994	1,940	7,663	6,962
Depreciation of:				
- investment property	6	6	25	31
- property, plant and equipment	38,479	39,330	150,748	141,665
Derivative loss	-	-	338	-
Impairment loss recognised on:				
- trade receivables	500	891	3,050	2,783
- investment properties	-	1	-	187
- goodwill	-	385	-	385
Loss on disposal of property, plant and equipment	130	-	-	-
Loss on disposal of a subsidiary	2,011	-	2,011	-
Property, plant and equipment written off	1,122	3,165	5,936	5,860
Provision for retirement benefits	2,351	1,546	9,789	8,131
Realised loss on foreign exchange	-	312	-	765

B6. Profit for the Period/Year - continued

	4 th Quarter Ended		Full Year Ended	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
and after crediting:				
Derivative gain	442	19	-	174
Gain on disposal of:				
- property, plant and equipment	-	111	2,609	73
- prepaid lease payment on leasehold land	88	-	1,058	-
Reversal of impairment loss on trade receivables	1,426	534	1,982	1,129
Realised gain on foreign exchange	664	-	1,049	-
Unrealised gain on foreign exchange	2,790	2,326	2,051	4,484

B7. Reclassification of comparative figures

Certain comparative figures in the financial statements of the Group has been reclassified to conform to the presentation in the current financial year. These relate to the following:

	As previously reported RM'000	Reclassifications RM'000	As reclassified RM'000
Statements of profit or loss and other comprehensive income			
- for the financial year ended 31 December 2013			
Interest income	7,970	(1,627)	6,343
Finance costs	(2,099)	1,627	(472)
- for the 4th quarter ended 31 December 2013			
Interest income	2,802	(1,627)	1,175
Finance costs	(993)	1,627	634

B8. Status of Corporate Proposals

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

B9. Group Borrowings

The Group borrowings as at 31 December 2014 are as follows:

	RM'000
<u>Short-term borrowings</u>	
Finance lease (secured)	11
Total Group borrowings	<u>11</u>

All borrowings are denominated in Ringgit Malaysia.

B10. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 31 December 2014 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 Values Assets (RM'000)	Maturity
Foreign exchange contracts	79,756	2,219	Less than 1 year

The Group's 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 2014, the amount of credit risk in the Group measured in terms of the cost to replace the profitable contracts was RM2,219,000. 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.

B11. Fair Value Changes of Financial Liabilities

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

B12. Material Litigation

The claim by the Singaporean Comptroller of Income Tax against LMCB Holdings Pte Ltd and Lafarge Malaysia Berhad in the High Court of Singapore is ongoing and there are no changes from the previous quarterly announcement.

B13. Dividend

The Directors has declared a fourth interim single tier dividend of 8 sen (2013: 17 sen) per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2014 which will be paid on 15 April 2015. The entitlement date for the dividend payment is on 18 March 2015.

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 18 March 2015 in respect of transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

B14. Earnings per share

Earnings per share are calculated as follows:

	4th Quarter Ended		Full Year Ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Profit attributable to equity holders of the Company (RM'000)	49,935	110,665	255,996	366,630
Weighted average number of ordinary shares in issue ('000)	849,695	849,695	849,695	849,695
Basic and diluted earnings per share (sen)	5.9	13.0	30.1	43.2

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

B15. Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 December 2014, into realised and unrealised profits, is as follows:

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Total retained earnings of the Group:		
- realised	1,362,209	1,465,061
- unrealised	(117,394)	(144,649)
	<hr/> 1,244,815	<hr/> 1,320,412
Total share of retained earnings from associate:		
- realised	31,248	30,067
	<hr/> 1,276,063	<hr/> 1,350,479
Less: Consolidation adjustments	(144,616)	(121,661)
Total retained earnings as per statement of financial position	<hr/> <hr/> 1,131,447	<hr/> <hr/> 1,228,818

Dated: 26 February 2015
Petaling Jaya, Selangor Darul Ehsan.