

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

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Revenue	718,305	684,612	2,750,820	2,743,090
Operating expenses	(610,509)	(582,775)	(2,266,311)	(2,249,591)
Depreciation and amortisation	(41,951)	(39,548)	(160,873)	(158,712)
Other income/(expenses)	(2,750)	4,545	16,915	(6,925)
Investment income	2,193	1,970	7,984	7,420
Interest income	568	1,589	4,935	9,565
Profit from operations	65,856	70,393	353,470	344,847
Finance cost	(1,992)	119	(2,206)	(845)
Share in results of associate	1,052	(136)	(6,107)	1,181
Profit before tax	64,916	70,376	345,157	345,183
Income tax expense	(21,498)	(20,732)	(93,924)	(89,176)
Profit for the period/year	43,418	49,644	251,233	256,007
Other comprehensive income/(loss), Items that will not be reclassified subsequently to profit or loss:				
Defined benefit retirement plan actuarial (losses)/gain	(1,283)	12,003	(1,283)	12,003
	(1,283)	12,003	(1,283)	12,003
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	4,099	(1,507)	(8,700)	1,719
Reclassification of exchange reserve to profit and loss on disposal of foreign subsidiary	-	(188)	-	(188)
Net change in cash flow hedges	(3,093)	874	(1,294)	1,144
Total other comprehensive (loss)/income for the period/year, net of tax	(277)	11,182	(11,277)	14,678
Total comprehensive income for the period/year	43,141	60,826	239,956	270,685
Profit attributable to:				
Owners of the Company	43,345	49,935	251,006	255,996
Non-controlling interests	73	(291)	227	11
	43,418	49,644	251,233	256,007

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

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income attributable to:				
Owners of the Company	43,068	61,105	239,729	270,661
Non-controlling interests	73	(279)	227	24
	43,141	60,826	239,956	270,685
Basic and diluted earnings per share (sen)	5.1	5.9	29.5	30.1

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31st December 2014 and the accompanying explanatory notes attached to the interim financial statements)

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

	As at 31 December 2015 RM'000	As at 31 December 2014 RM'000
	Note	
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	1,659,851	1,466,860
Investment property	3,143	3,289
Prepaid lease payments on leasehold land	97,022	97,537
Goodwill on consolidation	1,407,589	1,203,677
Other intangible assets	39,643	2,678
Investment in associate	34,298	22,713
Other financial assets	2,171	2,189
Deferred tax assets	5,755	2,758
	3,249,472	2,801,701
<u>Current assets</u>		
Inventories	290,411	275,359
Current tax assets	13,857	27,182
Trade receivables	432,772	372,013
Other receivables and prepaid expenses	39,075	37,287
Amounts owing by holding and other related companies	20,902	13,933
Derivative financial assets	1,044	2,288
Term deposits	-	191,092
Cash and bank balances	311,395	269,777
	1,109,456	1,188,931
Total assets	4,358,928	3,990,632
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	28,427	37,127
Capital redemption reserve	33,798	33,798
Investments revaluation reserve	36	36
Hedging reserve	125	1,419
Retained earnings	1,109,266	1,131,447
Equity attributable to owners of the Company	3,088,546	3,120,721
Non-controlling interests	5,225	4,223
Total equity	3,093,771	3,124,944

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

	Note	As at 31 December 2015 RM'000	As at 31 December 2014 RM'000
<u>Non-current liabilities</u>			
Borrowings	B7	7,000	-
Retirement benefits		68,533	60,009
Deferred tax liabilities		189,657	193,365
		<u>265,190</u>	<u>253,374</u>
<u>Current liabilities</u>			
Trade payables		443,825	426,299
Other payables and accrued expenses		99,867	95,064
Amounts owing to holding and other related companies		48,861	21,925
Borrowings	B7	334,100	11
Derivative financial liabilities		162	69
Current tax liabilities		5,176	970
Dividend payable		67,976	67,976
		<u>999,967</u>	<u>612,314</u>
Total liabilities		<u>1,265,157</u>	<u>865,688</u>
Total equity and liabilities		<u>4,358,928</u>	<u>3,990,632</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>3.63</u>	<u>3.67</u>
Net tangible assets per share attributable to ordinary equity holders of the Company (RM)		<u>1.93</u>	<u>2.25</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 2014 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 2015	849,695	1,067,199	33,798	37,127	36	1,419	1,131,447	3,120,721	4,223	3,124,944
Profit for the year	-	-	-	-	-	-	251,006	251,006	227	251,233
Other comprehensive income/(loss) for the year, net of tax	-	-	-	(8,700)	-	(1,294)	(1,283)	(11,277)	-	(11,277)
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	1,112	1,112
Dividends	-	-	-	-	-	-	(271,904)	(271,904)	(337)	(272,241)
As at 31 December 2015	849,695	1,067,199	33,798	28,427	36	125	1,109,266	3,088,546	5,225	3,093,771
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/(loss) 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

(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 2014 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 2015 RM'000	31 December 2014 RM'000
<u>Cash Flows From Operating Activities</u>		
Profit before tax	345,157	345,183
Adjustments for:-		
Allowance for inventory obsolescence	6,080	9,985
Amortisation of:		
- other intangible assets	646	276
- prepaid lease payments on leasehold land	6,430	7,663
Depreciation of:		
- investment property	9	25
- property, plant and equipment	153,788	150,748
Derivative loss/(gain)	(21)	338
Dividend income	(162)	(133)
Finance cost	2,206	845
Impairment loss recognised on trade receivables	1,669	3,050
Interest income	(4,935)	(9,565)
Loss/(gain) on disposal of:		
- property, plant and equipment	(1,942)	(2,609)
- prepaid lease payments on leasehold lands	-	(1,058)
- investment property	129	-
- subsidiary	-	2,011
- quoted investment	(18)	-
Property, plant and equipment written off	1,314	5,936
Provision for retirement benefits	8,768	9,789
Reversal of impairment loss on investment property	(186)	-
Reversal of impairment loss on trade receivables	(2,850)	(1,982)
Unrealised (gain)/loss on foreign exchange	(22,706)	(2,051)
Share in results of associate	6,107	(1,181)
Operating profit before changes in working capital	499,483	517,270
(Increase) /Decrease in:		
Inventories	2,409	(29,896)
Receivables	(3,526)	47,539
Amounts owing by holding and other related companies	(6,961)	18,002
(Decrease)/Increase in:		
Payables	(56,114)	68,102
Amounts owing to holding and other related companies	12,314	(1,034)
Cash generated from operations	447,605	619,983
Retirement benefits paid	(1,919)	(3,039)
Tax paid	(89,070)	(156,024)
Net cash generated from operating activities	356,616	460,920

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

	Financial Year Ended	
	31 December	31 December
	2015	2014
	RM'000	RM'000
<u>Cash Flows From Investing Activities</u>		
Additions to property, plant and equipment	(189,918)	(102,775)
Acquisition of additional interest in associate	(13,372)	-
Dividend received	162	2,716
Net cash outflow from acquisition of subsidiaries (Note a)	(319,474)	-
Interest received	4,935	9,565
Payment for prepaid lease payments	(2,062)	-
Proceeds from disposal of:		
- property, plant and equipment	5,018	3,803
- investment property	194	-
- investment	36	-
- prepaid lease payments on leasehold lands	-	1,668
- subsidiary	-	1,084
Net cash used in investing activities	(514,481)	(83,939)
<u>Cash Flows From Financing Activities</u>		
Dividends paid	(271,904)	(365,370)
Dividend paid to a non-controlling interest	(337)	-
Interest paid	(2,206)	(845)
Drawdown of borrowings	282,500	-
Repayment of borrowings	(3,511)	(477)
Net cash from/(used in) financing activities	4,542	(366,692)
Net Change in Cash and Cash Equivalents	(153,323)	10,289
Effects of currency translations	3,849	(270)
Cash and Cash Equivalents at beginning of the year	460,869	450,850
Cash and Cash Equivalents at end of the year	311,395	460,869

Note a:

Net cash outflow arising from acquisition of subsidiaries are as follows:	RM'000
Tangible fixed assets	120,779
Goodwill and intangibles	39,465
Non-current liabilities	(26,083)
Net current assets	(11,851)
Net assets acquired	122,310
Non-controlling interests	(1,112)
Consideration sum indemnified	2,289
Goodwill arising from acquisition of subsidiaries	202,058
Cash and bank balances acquired	(6,071)
Net cash outflow from acquisition of subsidiaries	319,474

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31st December 2014 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 2014. The audited financial statements of the Group for the year ended 31 December 2014 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 2014.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2014, 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 July 2014:

Amendments to MFRS 119 Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 – 2012 Cycle

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 – 2013 Cycle

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.

A2. Significant Accounting Policies (continued)

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

MFRS 9	Financial Instruments ²
MFRS 15	Revenue from Contracts with Customers ²
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to MFRS 101	Disclosure Initiative ¹
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to MFRS 127	Equity Method in Separate Financial Statements ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2012 – 2014 Cycle ¹

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

² 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

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.

A fourth 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 15 April 2015.

A first interim single tier dividend of 8.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2015 amounting to RM67.976 million was paid on 15 July 2015.

A second interim single tier dividend of 8.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2015 amounting to RM67.976 million was paid on 21 October 2015.

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 2015 amounting to RM67.976 million was paid on 13 January 2016.

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

A9. Segmental Information (continued)

Analysis of the Group's segment information is as follows:

Full Year Ended 31 December	Cement		Aggregates & Concrete		Elimination		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Segment revenue								
External revenue	2,277,948	2,246,215	472,872	496,875	-	-	2,750,820	2,743,090
Internal revenue	319,373	294,066	5,495	3,753	(324,868)	(297,819)	-	-
	<u>2,597,321</u>	<u>2,540,281</u>	<u>478,367</u>	<u>500,628</u>	<u>(324,868)</u>	<u>(297,819)</u>	<u>2,750,820</u>	<u>2,743,090</u>
Segment profit /(loss)	<u>353,447</u>	<u>333,811</u>	<u>(4,912)</u>	<u>1,471</u>	<u>-</u>	<u>-</u>	<u>348,535</u>	<u>335,282</u>
Reconciliation of segment profit to consolidated profit before tax:								
Interest income							4,935	9,565
Finance cost							(2,206)	(845)
Share in results of associate							(6,107)	1,181
Consolidated profit before tax							<u>345,157</u>	<u>345,183</u>
Segment assets	<u>4,032,366</u>	<u>3,503,667</u>	<u>285,206</u>	<u>251,052</u>	<u>(326,120)</u>	<u>(279,798)</u>	<u>3,991,452</u>	<u>3,474,921</u>
Reconciliation of segment assets to consolidated total assets:								
Investment in associate							34,298	22,713
Unallocated corporate assets							333,178	492,998
Consolidated total assets							<u>4,358,928</u>	<u>3,990,632</u>
Segment liabilities	<u>841,646</u>	<u>747,928</u>	<u>218,424</u>	<u>202,526</u>	<u>(330,846)</u>	<u>(279,112)</u>	<u>729,224</u>	<u>671,342</u>
Reconciliation of segment liabilities to consolidated total liabilities:								
Interest bearing instruments							341,100	11
Unallocated corporate liabilities							194,833	194,335
Consolidated total liabilities							<u>1,265,157</u>	<u>865,688</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 2015 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

There were no other changes in the composition for the Group in this 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 2015 RM'000
In respect of capital expenditure:	
Approved and contracted for	75,903
Approved but not contracted for	44,603
	<u>120,506</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.	Penultimate 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 Holcim Ltd
Cementia Asia Sdn Bhd	Subsidiary of Lafarge Holcim Ltd
Coprocem Services Malaysia Sdn Bhd	Subsidiary of Lafarge Holcim Ltd
Lafarge Asia Sdn Bhd	Subsidiary of Lafarge Holcim Ltd
Marine Cement Ltd	Subsidiary of Lafarge Holcim Ltd
Lafarge Energy Solutions SAS	Subsidiary of Lafarge Holcim Ltd
Thalamar Shipping AG	Subsidiary of Lafarge Holcim Ltd
Holcim Trading Pte Ltd	Subsidiary of Lafarge Holcim Ltd
Holcim Group Support Ltd	Subsidiary of Lafarge Holcim Ltd
Holcim Technology & Services Ltd	Subsidiary of Lafarge Holcim Ltd
Holcim East Asia Business Service Centre B.V.	Subsidiary of Lafarge Holcim Ltd
Holcim (Singapore) Pte Ltd	Subsidiary of Lafarge Holcim Ltd
Holcim Services (Asia) Ltd	Subsidiary of Lafarge Holcim Ltd

A15. Related Party Transactions (continued)

The related party transactions for financial quarter ended 31 December 2015 are as follows:

Description of Transactions	RM'000
Penultimate holding company of the Company:	
Provision of trademark licence and general assistance fee	33,456
Specific technical assistance	2,446
Associate of the Group:	
Sales and/or purchase of cement and aggregates	59,980
Batching income	1,752
Management service fee	254
Subsidiaries of ultimate holding company of the Company:	
Sale and/or purchase of cement and clinker	272,621
Maintenance of hardware and software	9,587
Service fee for sourcing alternative fuel and raw materials	2,284
Rental income of office premises	676
Chartering of vessels	26,797
Industrial franchising fees	703
Administrative and supporting service fee	1,644
Service fees for sourcing solid fuels	1,471

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.

A16. Changes in the composition of the Group

On 16 November 2015, the Group completed its acquisition of a 100% equity stake each on Holcim (Malaysia) Sdn Bhd and its subsidiaries comprising of Holcim Marketing (Malaysia) Sdn Bhd, ISB Kuari Kota Tinggi Sdn Bhd and a 70% equity stake in Geocycle Malaysia Sdn Bhd for a total cash consideration of RM325,545,000 (equivalent to USD74,418,790.72).

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group's Performance

Current Quarter vs. Corresponding Quarter of Previous Year.

The Group recorded revenue of RM718.3 million for the current quarter, 4.9% higher than the revenue of RM684.6 million recorded in the corresponding quarter last year. This was mainly attributed to higher sales from cement segment.

Despite the increase in revenue, the Group's current quarter profit before tax decreased by 7.8% from RM70.4 million recorded last year to RM 64.9m. This was mainly due to the one-off acquisition expenses incurred as well as higher finance cost arising from the borrowings for the acquisition of subsidiaries.

The Group's interest income of RM0.6 million for the current quarter was lower compared with RM1.6 million in the corresponding quarter last due to lesser amount of fund placed on short term deposits.

The Group recorded RM 1.0m profit from its share of associated as compared to loss of RM 0.1m in the corresponding quarter last year.

Current Year vs. Previous Year.

The Group's revenue for 12 months ended 31 December 2015 was marginally higher than last year.

For financial year 2015, the Group recorded profit from operations of RM353.5 million, 2.5% higher than last year. This was mainly attributed to higher revenue, better operating margin coupled with higher foreign exchange gain.

However, despite the Group achieving a 2.5% increase in profit from operations, the higher finance cost from higher borrowings and higher losses from share of associate due to keen competition, resulted in the Group maintaining profit before tax at a similar level as last year.

The Group's interest income of RM4.9 million for the financial year was lower compared with RM9.6 million in the previous year mainly due to lesser amount of funds placed on short term deposits.

B2. Comparison with Preceding Quarter

	4th Quarter Ended 31 December 2015 RM'000	3rd Quarter Ended 30 September 2015 RM'000
Revenue	718,305	670,880
Profit before tax	<u>64,916</u>	<u>95,139</u>

The Group's profit before tax for the current quarter of RM64.9 million was 31.8% lower than the preceding quarter. This was mainly attributed to one-off acquisition expenses as well as higher finance cost arising from the borrowings for the acquisition of subsidiaries during the period.

B3. Prospects

Outlook for the construction sector remains positive for 2016 with continued progress in key infrastructure projects and on-going commercial and residential developments, announced in the Malaysian Budget 2016 and the 11th Malaysia Plan. The Group will continue to develop and offer solutions in the Building and Infrastructure segments to meet customer needs. It will also work on further consolidating its position as the preferred business partner for technically sophisticated projects. The Group will continue to focus on maintaining efficiency in its overall operations.

With the completion of the acquisition by the Company of the Holcim Malaysia group on 16 November 2015, it is anticipated that the enlarged Group will be able to leverage on the complementary network coverage and asset base of Holcim Malaysia group in the Southern Region of Peninsular Malaysia in 2016 to better fulfill customer demands.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 31 December 2015.

B5. Income Tax Expense

Income tax expense comprises the following:

	4th Quarter Ended 31 December 2015 RM'000	Full Year Ended 31 December 2015 RM'000
In respect of current year:		
- income tax	21,116	114,936
- deferred tax	(6,737)	(22,125)
In respect of prior year:		
- income tax	7,186	293
- deferred tax	(67)	820
Total tax expense	<u>21,498</u>	<u>93,924</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. Status of Corporate Proposals

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

B7. Group Borrowings

The Group borrowings (denominated in Ringgit Malaysia) are as follows:

	As at 31 December 2015 RM'000	As at 31 December 2014 RM'000
<u>Short-term borrowings</u>		
Non-secured		
Bankers' acceptance	7,600	-
Medium Term Note	280,000	-
Revolving credit	39,500	-
Term loan (current)	7,000	-
Secured		
Finance lease (secured)	-	11
	334,100	11
<u>Long-term borrowings</u>		
Non-secured		
Term loan (non-current)	7,000	-
	7,000	-
Total Group borrowings	341,100	11

All borrowings are denominated in Ringgit Malaysia.

B8. 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 the reserve hearing dates for this matter have been fixed for January 2017.

B9. Dividend

The Directors has declared a fourth interim single tier dividend of 7 sen (2014: 8 sen) per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2015 which will be paid on 20 April 2016. The entitlement date for the dividend payment is on 22 March 2016.

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 22 March 2016 in respect of transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

B10. Profit for the Period/Year

	4th Quarter Ended		Full Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Profit for the period is arrived after charging:				
Allowance for inventory obsolescence	1,879	2,249	6,080	9,985
Amortisation of:				
- other intangible assets	439	69	646	276
- prepaid lease payments on leasehold land	1,241	994	6,430	7,663
Depreciation of:				
- investment property	-	6	9	25
- property, plant and equipment	40,271	38,479	153,788	150,748
Derivative loss	5,353	-	-	338
Impairment loss recognised on trade receivables	(335)	500	1,669	3,050
Loss on disposal of property, plant and equipment	-	130	-	-
Loss of disposal of investment property	190	-	129	-
Loss on disposal of a subsidiary	-	2,011	-	2,011
Property, plant and equipment written off	818	1,122	1,314	5,936
Provision for retirement benefits	2,425	2,351	8,768	9,789
Realised loss on foreign exchange	4,334	-	12,493	-
and after crediting:				
Derivative gain	-	442	21	-
Gain on disposal of:				
- property, plant and equipment	606	-	1,942	2,609
- prepaid lease payments on leasehold land	-	88	-	1,058
- quoted investment	18	-	18	-
Reversal of impairment loss on trade receivables	(7)	1,426	2,850	1,982
Reversal of impairment loss on investment property	186	-	186	-
Realised gain on foreign exchange	-	664	-	1,049
Unrealised gain on foreign exchange	1,107	2,790	22,706	2,051

B11. Earnings per share

Earnings per share are calculated as follows:

	4th Quarter Ended		Full Year Ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Profit attributable to equity holders of the Company (RM'000)	43,345	49,935	251,006	255,996
Weighted average number of ordinary shares in issue ('000)	849,695	849,695	849,695	849,695
Basic and diluted earnings per share (sen)	5.1	5.9	29.5	30.1

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

B12. Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 December 2015, into realised and unrealised profits, is as follows:

	As at 31 December 2015 RM'000	As at 31 December 2014 RM'000
Total retained earnings of the Group:		
- realised	1,401,158	1,362,209
- unrealised	10,638	(117,394)
	<u>1,411,796</u>	<u>1,244,815</u>
Total share of retained earnings from associate:		
- realised	25,140	31,247
	<u>1,436,936</u>	<u>1,276,062</u>
Less: Consolidation adjustments	(327,670)	(144,615)
Total retained earnings as per statement of financial position	<u>1,109,266</u>	<u>1,131,447</u>

Dated: 29 February 2016
Petaling Jaya, Selangor Darul Ehsan.