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

	4th Quarter Ended		Financial Year Ended	
	31 December 2012 RM'000	**31 December 2011 RM'000**	**31 December 2012 RM'000**	**31 December 2011 RM'000**
Revenue	**690,146**	**656,851**	**2,740,062**	**2,552,564**
Operating expenses	(520,137)	(487,024)	(2,124,075)	(2,001,206)
Depreciation and amortisation	(32,012)	(39,563)	(145,014)	(157,910)
Other income /(expenses)	(1,610)	8,710	(12,569)	8,222
Investment income	1,335	3,957	8,248	8,905
Interest income	1,528	1,319	6,330	6,427
Profit from operations	**139,250**	**144,250**	**472,982**	**417,002**
Finance cost	(1,218)	(2,073)	(6,072)	(10,229)
Share in results of associate	862	2,301	2,842	7,874
Profit before tax	**138,894**	**144,478**	**469,752**	**414,647**
Income tax expense	(32,761)	(26,317)	(120,262)	(97,000)
Profit for the period/year	**106,133**	**118,161**	**349,490**	**317,647**
Other comprehensive income/(loss), net of tax				
Net change in fair value of available-for-sale financial assets	-	36	-	36
Foreign currency translation differences for foreign operations	(271)	(133)	(620)	(1,437)
Net change in cash flow hedges	208	(472)	256	188
Defined benefits retirement plan actuarial losses	(2,466)	(4,118)	(2,466)	(4,118)
Others	-	-	-	(111)
Total other comprehensive loss for the period/year, net of tax	(2,529)	(4,687)	(2,830)	(5,442)
Total comprehensive income for the period/year	**103,604**	**113,474**	**346,660**	**312,205**

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

	4th Quarter Ended		Financial Year Ended	
	31 December 2012 RM'000	**31 December 2011 RM'000**	**31 December 2012 RM'000**	**31 December 2011 RM'000**
Profit/(Loss) attributable to:				
Owners of the Company	105,722	117,386	349,005	317,845
Non-controlling interests	411	775	485	(198)
	106,133	**118,161**	**349,490**	**317,647**
Total comprehensive income/(loss) attributable to:				
Owners of the Company	103,187	112,688	346,169	312,392
Non-controlling interests	417	786	491	(187)
	103,604	**113,474**	**346,660**	**312,205**
Basic and diluted earnings per share (sen)	12.4	13.8	41.1	37.4

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31st December 2011 and the accompanying explanatory notes attached to the interim financial statements)

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

	Note	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000	As at 1 January 2011 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment		1,589,405	1,673,062	1,763,888
Investment property		3,532	3,568	3,777
Prepaid lease payments on leasehold land		112,721	118,827	124,649
Goodwill on consolidation		1,205,889	1,205,889	1,205,889
Other intangible assets		3,433	3,882	4,179
Investment in associate		19,797	16,488	9,601
Other financial assets		1,815	1,936	2,111
Deferred tax assets		2,050	2,444	1,205
		2,938,642	3,026,096	3,115,299
Current assets				
Inventories		282,161	271,524	261,133
Current tax assets		22,822	21,345	20,884
Trade receivables		344,266	320,705	275,814
Other receivables and prepaid expenses		34,477	35,784	36,234
Amounts owing by holding and other related companies		21,028	23,268	23,517
Derivative financial assets	B9	108	49	26
Term deposits		105,807	93,248	128,909
Fixed income trust fund		28,729	27,885	30,083
Cash and bank balances		219,466	231,171	213,715
		1,058,864	1,024,979	990,315
Assets classified as held for sale		-	-	18,748
		1,058,864	1,024,979	1,009,063
Total assets		**3,997,506**	**4,051,075**	**4,124,362**
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital		849,695	849,695	849,695
Reserves:				
Share premium		1,067,199	1,067,199	1,067,199
Exchange equalisation reserve		39,090	39,716	41,164
Capital redemption reserve		33,798	33,798	33,798
Investments revaluation reserve		36	36	-
Hedging reserve		14	(242)	(430)
Retained earnings		1,178,321	1,118,127	1,093,587
Equity attributable to owners of the Company		3,168,153	3,108,329	3,085,013
Non-controlling interests		4,467	16,745	16,754
Total equity		3,172,620	3,125,074	3,101,767

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

	Note	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000	As at 1 January 2011 RM'000
Non-current liabilities				
Borrowings	B8	488	1,707	107,949
Retirement benefits		59,874	51,280	40,920
Deferred tax liabilities		237,637	260,342	283,076
		297,999	313,329	431,945
Current liabilities				
Trade payables		319,131	318,901	293,075
Other payables and accrued expenses		100,040	82,525	96,670
Amounts owing to holding and other related companies		22,286	12,997	12,422
Borrowings	B8	1,219	106,242	107,826
Derivative financial liabilities	B9	1	612	998
Tax liabilities		16,234	23,419	11,683
Dividend payable		67,976	67,976	67,976
		526,887	612,672	590,650
Total liabilities		824,886	926,001	1,022,595
Total equity and liabilities		**3,997,506**	**4,051,075**	**4,124,362**
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.73	3.66	3.63

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31st December 2011 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Non-distributable						Distributable			
	Share Capital RM'000	Share Premium RM'000	Exchange Equalisation Reserve RM'000	Capital Redemption Reserve RM'000	Investment Revaluation Reserve RM'000	Hedging Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
As of 1 January 2012	849,695	1,067,199	39,716	33,798	36	(242)	1,118,127	3,108,329	16,745	3,125,074
Profit or loss for the year	-	-	-	-	-	-	349,005	349,005	485	349,490
Other comprehensive income/(loss) for the year	-	-	(626)	-	-	256	(2,466)	(2,836)	6	(2,830)
Dividends	-	-	-	-	-	-	(288,898)	(288,898)	-	(288,898)
Changes in ownership with no loss of control	-	-	-	-	-	-	2,553	2,553	(12,769)	(10,216)
As of 31 December 2012	849,695	1,067,199	39,090	33,798	36	14	1,178,321	3,168,153	4,467	3,172,620
As of 1 January 2011	849,695	1,067,199	41,164	33,798	-	(430)	1,093,587	3,085,013	16,754	3,101,767
Profit or loss for the year	-	-	-	-	-	-	313,616	313,616	(198)	313,418
Other comprehensive income/(loss) for the year	-	-	(1,448)	-	36	188	-	(1,224)	11	(1,213)
Dividends	-	-	-	-	-	-	(288,898)	(288,898)	-	(288,898)
Changes in ownership with no loss of control	-	-	-	-	-	-	(178)	(178)	178	-
As of 31 December 2011	849,695	1,067,199	39,716	33,798	36	(242)	1,118,127	3,108,329	16,745	3,125,074

(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 2011 and the accompanying explanatory notes attached to the interim financial statements)

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

	Financial Year Ended 31 December 2012 RM'000	Financial Year Ended 31 December 2011 RM'000
Cash Flows From Operating Activities		
Profit before tax	469,752	414,647
Adjustments for:-		
Allowance for inventories obsolescence	10,601	13,260
Amortisation of:		
- other intangible assets	449	297
- prepaid lease payments on leasehold land	6,106	6,299
Depreciation of:		
- investment property	36	43
- property, plant and equipment	138,423	151,271
Derivative gain	(310)	(98)
Dividend income	(892)	(812)
Finance cost	6,072	10,229
(Gain)/Loss on disposal of:		
- assets classified as held for sale	-	(376)
- available-for-sale investments	37	(38)
- property, plant and equipment	(982)	(3,264)
- investment property	-	(27)
Impairment loss recognised on trade receivables	1,721	3,520
Interest income	(6,330)	(6,427)
Property, plant and equipment written off	666	2,915
Provision for retirement benefits	8,198	6,649
Reversal of impairment loss on trade receivables	(1,413)	(2,563)
Unrealised gain on foreign exchange	(1,708)	(1,540)
Share in results of associate	(2,842)	(7,874)
Operating profit before changes in working capital	627,584	586,111
(Increase)/Decrease in:		
Inventories	(21,099)	(23,528)
Receivables	(22,008)	(45,032)
Amounts owing by holding and other related companies	5,761	3,177
Increase/(Decrease) in:		
Payables	14,421	17,055
Amounts owing to holding and other related companies	3,531	(2,722)
Cash generated from operations	608,190	535,061
Retirement benefits paid	(2,880)	(1,741)
Tax paid	(150,111)	(108,249)
Net cash generated from operating activities	455,199	425,071

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

	Financial Year Ended	
	31 December 2012 RM'000	**31 December 2011 RM'000**
<u>Cash Flows From Investing Activities</u>		
Additions to property, plant and equipment	(50,092)	(67,382)
Dividend received	892	2,028
Interest received	6,330	6,427
Proceeds from disposal of:		
- assets classified as held for sale	-	19,463
- investment property	-	193
- available-for-sale investments	84	249
- property, plant and equipment	1,329	4,153
Payments for prepaid lease payments on leasehold land	-	(477)
Acquisition of additional interest in a subsidiary	(10,216)	-
Net cash used in investing activities	(51,673)	(35,346)
<u>Cash Flows From Financing Activities</u>		
Dividends paid	(288,898)	(288,898)
Interest paid	(7,267)	(11,396)
Repayment of borrowings	(106,242)	(107,826)
Net cash used in financing activities	(402,407)	(408,120)
Net Change in Cash and Cash Equivalents	1,119	(18,395)
Effects of currency translations	579	(2,008)
Cash and Cash Equivalents at beginning of the year	352,304	372,707
Cash and Cash Equivalents at end of the year	354,002	352,304

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31st December 2011 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT 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 2011. The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with Financial Reporting Standard ("FRS"). 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 2011.

These are the Group's interim financial statements for the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. An explanation of how the transition to MFRSs has affected the reported financial position, financial performance and cash flows of the Group is provided in Note A2 below.

A2. Significant Accounting Policies

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied the Group in its consolidated financial statements as at and for the year ended 31 December 2012.

Property, plant and equipment
In the previous years, the Group has availed itself to the transitional provision when the MASB first adopted IAS 16 Property, Plant and Equipment in 1998. Certain freehold land and buildings were revalued in 1993 primarily to cater for the bonus issue exercise and no later valuation has been recorded for these property, plant and equipment.

Upon transition to MFRSs, the Group elected to apply the optional exemption to use that previous revaluation as deemed cost under MFRSs. The capital reserve of RM33,968,000 (31 December 2011: RM33,968,000; 1 January 2011: RM34,079,000) was reclassified to retained earnings.

	31 December 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
Consolidated statement of financial position			
Reclassification of capital reserve to retained earnings	33,968	33,968	34,079
Adjustment to retained earnings	33,968	33,968	34,079

The Group has not adopted the following new and revised MFRSs, IC Interpretations and Amendments because they are not yet effective for the current financial year ending 31 December 2012:

MFRS 9, Financial Instruments
MFRS 10, Consolidated Financial Statements
MFRS 11, Joint Arrangements
MFRS 12, Disclosure of Interests in Other Entities
MFRS 13, Fair Value Measurement
MFRS 127 (revised), Separate Financial Statements
MFRS 128 (revised), Investments in Associates and Joint Ventures
IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 1, Government Loans
Amendments to MFRS 7, Disclosure - Offsetting of Financial Assets and Financial Liabilities
Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income
Amendments to MFRS 119, Employee Benefits
Amendments to MFRS 132, Offsetting of Financial Assets and Financial Liabilities

Except for MFRS 9 which has an effective date beginning on or after 1 January 2015, the Group will adopt the other relevant Standards beginning on 1 January 2013. Adoption of these new Standards in the next financial year will result in changes to some existing accounting policies that could affect the results and the measurement of assets and liabilities. These are discussed below:

MFRS 12 - This MFRS introduces new disclosure requirements about subsidiaries, joint arrangements, associates and involvement in unconsolidated structure entities. Adoption of this MFRS will have no effect to the results and financial positions of the Group.

MFRS 13 - This MFRS explains how to measure fair value of assets, liabilities and equity required or permitted by MFRSs but does not introduce new fair value measurement requirements. When this MFRS is adopted in the next financial year, some unquoted equity investments (classified as available-for-sale investments) which are currently being measured at cost because their fair value cannot be measured reliably would need to be measured at fair value. The Group is currently assessing the impending change in measurement basis and, as such, the impact cannot be quantified at this reporting date.

Amendments to MFRS 101 - These amendments require that items of other comprehensive income be distinguished into those that will never be reclassified to profit or loss and those that may be reclassified to profit or loss when specified conditions in the applicable MFRSs are met. Adoption of these amendments will have no impact on the reported results and financial position.

The adoption of the other new Standards in the next financial year will have no significant effect or will not result in changes to the existing accounting policies.

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 period under review.

A8. Dividend Paid

Dividends paid during the current financial year are as follows:

	RM'000
Third interim dividend paid on 13 January 2012 for the year ended 31 December 2011	
- 8.0 sen single-tier dividend per ordinary share of RM1.00 each	67,976
Fourth interim dividend paid on 12 April 2012 for the year ended 31 December 2011	
- 10.0 sen single-tier dividend per ordinary share of RM1.00 each	84,970
First interim dividend paid on 18 July 2012 for the year ended 31 December 2012	
- 8.0 sen single-tier dividend per ordinary share of RM1.00 each	67,976
Second interim dividend paid on 17 October 2012 for the year ended 31 December 2012	
- 8.0 sen single-tier dividend per ordinary share of RM1.00 each	67,976
	288,898

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 2012 amounting to RM67.976 million was paid on 16 January 2013.

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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Segment revenue								
External revenue	2,277,726	2,160,494	462,336	392,070	-	-	2,740,062	2,552,564
Internal revenue	303, 236	249,503	150	712	(303,386)	(250,215)	-	-
	2,580,962	2,409,997	462,486	392,782	(303,386)	(250,215)	2,740,062	2,552,564
Segment profit/(loss)	460,979	410,320	5,673	255	-	-	466,652	410,575
Reconciliation of segment profit to consolidated profit before tax:								
Interest income							6,330	6,427
Finance cost							(6,072)	(10,229)
Share in results of associate							2,842	7,874
Consolidated profit before tax							469,752	414,647
Segment assets	3,637,861	3,692,365	252,001	227,973	(292,842)	(263,780)	3,597,020	3,656,558
Reconciliation of segment assets to consolidated total assets:								
Investment in associate							19,797	16,488
Unallocated corporate assets							380,689	378,029
Consolidated total assets							3,997,506	4,051,075
Segment liabilities	714,520	669,186	148,078	126,558	(293,311)	(262,669)	569,287	533,075
Reconciliation of segment liabilities to consolidated total liabilities:								
Interest bearing instruments							1,728	109,165
Unallocated corporate liabilities							253,871	283,761
Consolidated total liabilities							824,886	926,001

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 2012 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 period not provided for in the financial statements are as follows:

	As at 31 December 2012 RM'000
In respect of capital expenditure:	
Approved and contracted for	12,724
Approved but not contracted for	12,886
	25,610

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.

The related party transactions for financial year ended 31 December 2012 are as follows:

Description of Transactions	RM'000
Ultimate holding company of the Company:	
Provision of trademark licence and general assistance fee	35,620
Associate of the Group:	
Sales and/or purchase of cement and aggregates	66,269
Batching income	1,174
Management service fee	222
Subsidiaries of ultimate holding company of the Company:	
Sale and/or purchase of cement and clinker	339,281
Maintenance of hardware and software	2,982
Service fee for sourcing alternative fuel and raw materials	1,770
Rental income of office premises	1,051
Chartering of vessels	2,500
Administrative and supporting service fee	120

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. Explanation of transition to MFRSs

As stated in Note A1, these are the Group's first consolidated interim financial statements prepared in accordance with MFRSs.

In preparing the opening MFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with the previous FRSs. An explanation of how the transition from the previous FRSs to the new MFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompanying these tables.

Reconciliation of financial position

	FRSs	Effect of transition to MFRSs	MFRSs	FRSs	Effect of transition to MFRSs	MFRSs	FRSs	Effect of transition to MFRSs	MFRSs
		1 January 2011			31 December 2011			31 December 2012	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS									
Non-current assets									
Property, plant and equipment	1,763,888		1,763,888	1,673,062		1,673,062	1,589,405		1,589,405
Investment property	3,777		3,777	3,568		3,568	3,532		3,532
Prepaid lease payments on leasehold land	124,649		124,649	118,827		118,827	112,721		112,721
Goodwill on consolidation	1,205,889		1,205,889	1,205,889		1,205,889	1,205,889		1,205,889
Other intangible assets	4,179		4,179	3,882		3,882	3,433		3,433
Investment in associate	9,601		9,601	16,488		16,488	19,797		19,797
Other financial assets	2,111		2,111	1,936		1,936	1,815		1,815
Deferred tax assets	1,205		1,205	2,444		2,444	2,050		2,050
	3,115,299		3,115,299	3,026,096		3,026,096	2,938,642		2,938,642
Current assets									
Inventories	261,133		261,133	271,524		271,524	282,161		282,161
Current tax assets	20,884		20,884	21,345		21,345	22,822		22,822
Trade receivables	275,814		275,814	320,705		320,705	344,266		344,266
Other receivables and prepaid expenses	36,234		36,234	35,784		35,784	34,477		34,477
Amounts owing by holding and other related companies	23,517		23,517	23,268		23,268	21,028		21,028
Derivative financial assets	26		26	49		49	108		108
Term deposits	128,909		128,909	93,248		93,248	105,807		105,807
Fixed income trust fund	30,083		30,083	27,885		27,885	28,729		28,729
Cash and bank balances	213,715		213,715	231,171		231,171	219,466		219,466
	990,315		990,315	1,024,979		1,024,979	1,058,864		1,058,864
Assets classified as held for sale	18,748		18,748	-		-	-		-
	1,009,063		1,009,063	1,024,979		1,024,979	1,058,864		1,058,864
Total assets	**4,124,362**		**4,124,362**	**4,051,075**		**4,051,075**	**3,997,506**		**3,997,506**

	FRSs	Effect of transition to MFRSs	MFRSs	FRSs	Effect of transition to MFRSs	MFRSs	FRSs	Effect of transition to MFRSs	MFRSs
		1 January 2011			31 December 2011			31 December 2012	
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
EQUITY AND LIABILITIES									
Share capital and reserves									
Share capital	849,695		849,695	849,695		849,695	849,695		849,695
Reserves:									
Share premium	1,067,199		1,067,199	1,067,199		1,067,199	1,067,199		1,067,199
Capital reserve	34,079	(34,079)	-	33,968	(33,968)	-	-		-
Exchange equalisation reserve	41,164		41,164	39,716		39,716	39,090		39,324
Capital redemption reserve	33,798		33,798	33,798		33,798	33,798		33,798
Investments revaluation reserve	-		-	36		36	36		36
Hedging reserve	(430)		(430)	(242)		(242)	14		14
Retained earnings	1,059,508	34,079	1,093,587	1,084,159	33,968	1,118,127	1,178,321		1,178,321
Equity attributable to owners of the Company	3,085,013		3,085,013	3,108,329		3,108,329	3,168,153		3,168,153
Non-controlling interests	16,754		16,754	16,745		16,745	4,467		4,467
Total equity	3,101,767		3,101,767	3,125,074		3,125,074	3,172,620		3,172,620
Non-current liabilities									
Borrowings	107,949		107,949	1,707		1,707	488		488
Retirement benefits	40,920		40,920	51,280		51,280	59,874		59,875
Deferred tax liabilities	283,076		283,076	260,342		260,342	237,637		237,414
	431,945		431,945	313,329		313,329	297,999		297,777
Current liabilities									
Trade payables	293,075		293,075	318,901		318,901	319,131		319,131
Other payables and accrued expenses	96,670		96,670	82,525		82,525	100,040		100,029
Amounts owing to holding and other related companies	12,422		12,422	12,997		12,997	22,286		22,286
Borrowings	107,826		107,826	106,242		106,242	1,219		1,219
Derivative financial liabilities	998		998	612		612	1		1
Tax liabilities	11,683		11,683	23,419		23,419	16,234		16,234
Dividend payable	67,976		67,976	67,976		67,976	67,976		67,976
	590,650		590,650	612,672		612,672	526,887		526,876
Total liabilities	1,022,595		1,022,595	926,001		926,001	824,886		824,653
Total equity and liabilities	**4,124,362**		**4,124,362**	**4,051,075**		**4,051,075**	**3,997,506**		**3,997,506**

Retained earnings

The changes which affected the retained earnings are as follows:

	31 December 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
Property, plant and equipment	33,968	33,968	34,079
Increase in retained earnings	33,968	33,968	34,079

Capital reserve

The changes which affected the capital reserve are as follows:

	31 December 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
Property, plant and equipment	33,968	33,968	34,079
Decrease in capital reserve	33,968	33,968	34,079

Cash flows

There are no material differences between the statement of cash flow presented under MFRSs and the statement of cash flows presented under FRSs.

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 quarter of RM 690.1 million was higher by 5% compared to the corresponding quarter last year mainly due to the higher sales volume in line with the stronger domestic demand and higher domestic/export sales mix and partially offset by the lower domestic cement selling price due to the increase in pricing pressure as a result of a new entrant in the market.

Profit before tax for the current quarter of RM138.9 million was slightly lower compared to RM144.5 million in the corresponding quarter last year. This was mainly attributed to the lower domestic cement selling price coupled with the timing of one of our plants scheduled maintenance.

Current Year to Date

The Group's revenue for the 12 months ended 31 December 2012 increased by 7 % to RM2,740.1 million compared to the corresponding period last year of RM2,552.6 million. This increase was due primarily to the higher sales volumes in line with the stronger domestic demand and higher domestic/export sales mix. The higher reported group revenue coupled with improved plant performance has generated a 13% improvement of the group profit before tax for the 12 months ended 31 December 2012 to RM469.8 million compared to the corresponding period last year of RM414.6 million.

B2. Comparison with Preceding Quarter

	4th Quarter Ended 31 December 2012 RM'000	3rd Quarter Ended 30 September 2012 RM'000
Revenue	690,146	708,755
Profit before tax	138,894	133,357

Revenue in the current quarter decreased by 3% mainly due to lower domestic cement selling price. Despite the lower revenue, the Group has registered a higher profit before tax mainly due to timing of the plant maintenance and overall better plant performance.

B3. Prospects

The outlook of the construction sector is expected to be positive in 2013 due to continued progress of key infrastructure projects and on-going property development projects. Domestic demand for cement and other building materials should continue to grow whilst the outlook for the export market is expected to be stable. At the same time, the market remains competitive on the domestic front. In the fourth quarter of 2012, the market experienced unnecessary pricing pressure mainly due to a new entrant and subsequent increased capacity in the market. The effect of pricing instability on service levels is not healthy for the construction industry and negatively impacts our customers. Therefore we anticipate the market to shift towards a more stable pricing environment in early 2013. The Group will continue to focus on product quality and customers' needs whilst maintaining efficiency in the overall operations. The Group's financial results in 2013 should remain satisfactory.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 31 December 2012.

B5. Income Tax Expense

Income tax expense comprises the following:

	4th Quarter Ended 31 December 2012 RM'000	Full Year Ended 31 December 2012 RM'000
In respect of current year:		
- income tax	(43,740)	(141,808)
- deferred tax	12,520	20,535
In respect of prior year:		
- income tax	194	(56)
- deferred tax	(1,735)	1,067
Total tax expense	(32,761)	(120,262)

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

It was announced on 7 April 2008 that, LMCB Holding Pte Ltd ("LMCBH"), a wholly owned subsidiary, received Notices of Additional Assessments from the Inland Revenue of Authority Singapore ("IRAS") in connection with the tax refunds received by LMCBH for Years of Assessment 2004 to 2006. LMCBH had recognised in its financial statements the tax refunds received arising from Section 44 tax credit amounting to RM21.276 million for the financial years ended 31 December 2003 to 2005 in connection with the dividends received by LMCBH following internal reorganisation of the Company's investments and corporate structure in Singapore announced on 30 July 2003. Also included in the Group's financial statements for the financial years ended 31 December 2006 and 2007 were tax refunds receivable amounting to RM17.275 million. Total tax refunds recognised for financial years ended 31 December 2003 to 2007 amounted to RM38.551 million. The IRAS via the Notice of Additional Assessment was seeking to recover the tax refunds previously received by LMCBH by assessing additional tax on LMCBH equivalent to the tax refunds. Based on professional advice received, the Company should not be liable to pay this additional tax as the notices of assessment are invalid and had therefore challenged the validity and basis of the Notices of Additional Assessment.

As previously announced on 14 November 2008, 18 February 2009, 27 August 2009, 19 November 2009, 25 February 2010, 26 May 2010, 25 August 2010, 29 November 2010, and 23 February 2011 LMCBH had appealed against the Notices of Additional Assessment to the Income Tax Board of Review of Singapore ("ITBRS"). The ITBRS had on 18 April 2011 dismissed LMCBH's appeal.

LMCBH has filed an appeal to the High Court against ITBRS' decision. The appeal was heard on 26th and 27th March 2012. On 18 December 2012, the Company has received the written Judgment of the High Court of Singapore ("Judgment") allowing the appeal of LMCBH against the Notices of Additional Assessments from the IRAS in connection with the tax refunds received by LMCBH for Years of Assessment 2004 to 2006 and the Notice of Assessment for the Year of Assessment 2007. The Notices of Additional Assessments for the Years of Assessment 2004 to 2006 and Notice of Assessment for the Year of Assessment 2007 will be discharged.

IRAS had filed an appeal to the Court of Appeal on 18 January 2013 against the parts of the Judgment which held that (i) the Notices of Assessment for Years of Assessment 2004 – 2007 ought to be discharged for the reason that the Comptroller did not exercise his powers under the general anti-avoidance provision fairly and reasonably; and (ii) the Notices of Assessment for Years of Assessment 2004 – 2006 were ultra vires and void.

To preserve its rights, LMCBH had on the same date filed a notice of appeal to the Court of Appeal against those parts of the Judgment which dismissed and/or did not accept LMCBH's arguments which were advanced in the High Court of Singapore. LMCBH has received on 22 January 2013 notice from the Supreme Court of Singapore that both appeals have been fixed for hearing before the Court of Appeal for the week commencing 1 July 2013.

B6. Profit for the Period

	4th Quarter Ended		Full Year Ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Profit for the period is arrived after charging:				
Allowance for inventories obsolescence	753	4,119	10,601	13,260
Amortisation of:				
- other intangible assets	115	74	449	297
- prepaid lease payments on leasehold land	925	1,720	6,106	6,299
Depreciation of:				
- investment property	8	10	36	43
- property, plant and equipment	30,964	37,763	138,423	151,271
Derivative loss	-	743	-	-
Impairment loss recognised on trade receivables	1,349	3,864	1,721	3,520
Loss on disposal of available-for-sale investments	-	-	37	-
Property, plant and equipment written off	-	2,077	666	2,915
Provision for retirement benefits	2,101	1,665	8,198	6,649
Realised loss on foreign exchange	424	-	3,383	-
and after crediting:				
Derivative gain	18	-	310	98
Gain on disposal of:				
- assets classified as held for sales	-	-	-	376
- available-for-sale investments	-	55	-	38
- property, plant and equipment	307	345	982	3,264
- investment property	-	-	-	27
Reversal of allowance for inventories obsolescence	-	1,731	-	1,731
Reversal of impairment loss on trade receivables	1,312	981	1,413	2,563
Realised gain on foreign exchange	-	86	-	86
Unrealised gain on foreign exchange	156	2,535	1,708	1,540

B7. Status of Corporate Proposals

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

B8. Group Borrowings

The Group borrowings as at 31 December 2012 are as follows:

	RM'000
Long-term borrowings	
Finance lease (secured)	488
Short-term borrowings	
Finance lease (secured)	1,219
Total Group borrowings	1,707

All borrowings are denominated in Ringgit Malaysia.

B9. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 31 December 2012 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 Value Assets (RM'000)	Maturity
Foreign exchange contracts	9,878	107	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 2012, the amount of credit risk in the Group measured in terms of the cost to replace the profitable contracts was RM108,000. 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.

B10. Fair Value Changes of Financial Liabilities

Gain arising from fair value changes in financial liabilities was RM18,000 in this reporting period.

B11. Material Litigation

There was no pending material litigation as at the date of this report.

B12. Dividend

The Directors has declared a fourth interim single tier dividend of 13 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2012 which will be paid on 16 April 2013. The entitlement date for the dividend payment is on 20 March 2013.

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 20 March 2013 in respect of transfers; and

(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

B13. Earnings per share

Earnings per share are calculated as follows:

	4th Quarter Ended		**Full Year Ended**	
	31 December 2012	**31 December 2011**	**31 December 2012**	**31 December 2011**
Profit attributable to equity holders of the Company (RM'000)	105,722	117,386	349,005	317,845
Weighted average number of ordinary shares in issue ('000)	849,695	849,695	849,695	849,695
Basic and diluted earnings per share (sen)	**12.4**	**13.8**	**41.1**	**37.4**

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

B14. Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 December 2012, into realised and unrealised profits, is as follows:

	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000
Total retained profits of the Group:		
- realised	1,491,002	1,434,147
- unrealised	(105,794)	(146,740)
	1,385,208	1,287,407
Total retained profits from associate:		
- realised	27,038	24,196
	1,412,246	1,311,603
Less: Consolidation adjustments	(233,925)	(193,476)
Total retained profits as per statement of financial position	1,178,321	1,118,127

Dated: 20 February 2013
Petaling Jaya, Selangor Darul Ehsan.