

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

	1 st Quarter Ended		Year to Date Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Revenue	669,780	696,087	669,780	696,087
Operating expenses	(579,854)	(561,015)	(579,854)	(561,015)
Depreciation and amortisation	(44,622)	(39,889)	(44,622)	(39,889)
Other income/(expenses)	(10,197)	2,163	(10,197)	2,163
Investment income	1,914	1,953	1,914	1,953
Interest income	552	1,912	552	1,912
Profit from operations	37,573	101,211	37,573	101,211
Finance cost	(3,467)	-	(3,467)	-
Share in results of associate	(3,356)	(1,856)	(3,356)	(1,856)
Profit before tax	30,750	99,355	30,750	99,355
Income tax expense	(9,927)	(25,421)	(9,927)	(25,421)
Profit for the period	20,823	73,934	20,823	73,934
Other comprehensive income/(loss),				
Items that may be reclassified				
subsequently to profit or loss:				
Foreign currency translation differences for foreign operation	2,116	(1,233)	2,116	(1,233)
Net change in cash flow hedges	(2,831)	848	(2,831)	848
Total other comprehensive (loss)/income for the period, net of tax	(715)	(385)	(715)	(385)
Total comprehensive income for the period	20,108	73,549	20,108	73,549
Profit attributable to:				
Owners of the Company	20,653	73,692	20,653	73,692
Non-controlling interests	170	242	170	242
	20,823	73,934	20,823	73,934
Total comprehensive income attributable to:				
Owners of the Company	19,938	73,307	19,938	73,307
Non-controlling interests	170	242	170	242
	20,108	73,549	20,108	73,549
Basic and diluted earnings per share (sen)	2.4	8.7	2.4	8.7

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31st December 2015 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 March 2016 RM'000	As at 31 December 2015 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	1,664,464	1,659,851
Investment property	3,143	3,143
Prepaid lease payments on leasehold land	95,711	97,022
Goodwill on consolidation	1,407,589	1,407,589
Other intangible assets	39,482	39,643
Investment in associate	29,479	34,298
Other financial assets	2,171	2,171
Deferred tax assets	5,112	5,755
	<u>3,247,151</u>	<u>3,249,472</u>
<u>Current assets</u>		
Inventories	296,392	290,411
Current tax assets	28,908	13,857
Trade receivables	443,102	432,772
Other receivables and prepaid expenses	47,613	39,075
Amounts owing by holding and other related companies	13,460	20,902
Derivative financial assets	-	1,044
Cash and bank balances	205,396	311,395
	<u>1,034,871</u>	<u>1,109,456</u>
Total assets	4,282,022	4,358,928
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	30,543	28,427
Capital redemption reserve	33,798	33,798
Investments revaluation reserve	36	36
Hedging reserve	(2,706)	125
Retained earnings	1,070,844	1,109,266
Equity attributable to owners of the Company	<u>3,049,409</u>	<u>3,088,546</u>
Non-controlling interests	4,154	5,225
Total equity	<u>3,053,563</u>	<u>3,093,771</u>

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

	Note	As at 31 March 2016 RM'000	As at 31 December 2015 RM'000
<u>Non-current liabilities</u>			
Borrowings	B7	7,000	7,000
Retirement benefits		68,011	68,533
Deferred tax liabilities		189,910	189,657
		<u>264,921</u>	<u>265,190</u>
<u>Current liabilities</u>			
Trade payables		442,600	443,825
Other payables and accrued expenses		92,012	99,867
Amounts owing to holding and other related companies		29,826	48,861
Borrowings	B7	334,170	334,100
Derivative financial liabilities		3,983	162
Current tax liabilities		1,468	5,176
Dividend payable		59,479	67,976
		<u>963,538</u>	<u>999,967</u>
Total liabilities		<u>1,228,459</u>	<u>1,265,157</u>
Total equity and liabilities		<u>4,282,022</u>	<u>4,358,928</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>3.59</u>	<u>3.63</u>
Net tangible assets per share attributable to ordinary equity holders of the Company (RM)		<u>1.89</u>	<u>1.93</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 2015 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 →						Retained Earnings RM'000	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				
As at 1 January 2016	849,695	1,067,199	33,798	28,427	36	125	1,109,266	3,088,546	5,225	3,093,771
Profit for the period	-	-	-	-	-	-	20,653	20,653	170	20,823
Other comprehensive income/(loss) for the year, net of tax	-	-	-	2,116	-	(2,831)	-	(715)	-	(715)
Acquisition of additional interests in an existing subsidiary	-	-	-	-	-	-	404	404	(1,241)	(837)
Dividends	-	-	-	-	-	-	(59,479)	(59,479)	-	(59,479)
As at 31 March 2016	849,695	1,067,199	33,798	30,543	36	(2,706)	1,070,844	3,049,409	4,154	3,053,563
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 period	-	-	-	-	-	-	73,692	73,692	242	73,934
Other comprehensive income/(loss) for the period, net of tax	-	-	-	(1,233)	-	848	-	(385)	-	(385)
Dividends	-	-	-	-	-	-	(67,976)	(67,976)	-	(67,976)
As at 31 March 2015	849,695	1,067,199	33,798	35,894	36	2,267	1,137,163	3,126,052	4,465	3,130,517

(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 2015 and the accompanying explanatory notes attached to the interim financial statements)

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

	3 months Financial Period Ended	
	31 March	31 March
	2016	2015
	RM'000	RM'000
<u>Cash Flows From Operating Activities</u>		
Profit before tax	30,750	99,355
Adjustments for:-		
Allowance for inventory obsolescence	690	1,255
Amortisation of:		
- other intangible assets	161	69
- prepaid lease payments on leasehold land	1,311	1,885
Depreciation of:		
- investment property	1	7
- property, plant and equipment	43,149	37,928
Derivative loss/(gain)	3,958	415
Finance cost	3,467	-
Impairment loss recognised on trade receivables	984	1,224
Interest income	(552)	(1,912)
Loss/(gain) on disposal of:		
- property, plant and equipment	(76)	(148)
- prepaid lease payments on leasehold lands	-	-
- investment property	-	(61)
Property, plant and equipment written off	824	174
Provision for retirement benefits	2,343	2,118
Reversal of impairment loss on investment property	-	-
Reversal of impairment loss on trade receivables	(322)	(705)
Unrealised (gain)/loss on foreign exchange	5,023	(3,024)
Share in results of associate	3,356	1,856
Operating profit before changes in working capital	95,067	140,436
(Increase) /Decrease in:		
Inventories	(6,920)	7,358
Receivables	(34,535)	(36,225)
Amounts owing by holding and other related companies	7,442	7,199
(Decrease)/Increase in:		
Payables	13,654	(8,554)
Amounts owing to holding and other related companies	(19,035)	(1,771)
Cash generated from operations	55,673	108,443
Retirement benefits paid	(2,865)	(290)
Tax paid	(29,290)	(18,044)
Net cash generated from operating activities	23,518	90,109

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

	3 months Financial Period Ended	
	31 March	31 March
	2016	2015
	RM'000	RM'000
<u>Cash Flows From Investing Activities</u>		
Additions to property, plant and equipment	(60,097)	(54,131)
Acquisition of additional interest in associate	-	-
Acquisitions of additional interests in an existing subsidiary	(837)	-
Interest received	552	1,912
Payment for prepaid lease payments		
Proceeds from disposal of:		
- property, plant and equipment	76	233
- investment property	-	197
- investment	-	18
Net cash used in investing activities	<u>(60,306)</u>	<u>(51,771)</u>
<u>Cash Flows From Financing Activities</u>		
Dividends paid	(67,976)	(67,976)
Interest paid	(377)	-
Drawdown of borrowings	500	-
Repayment of borrowings	(430)	(11)
Net cash used in financing activities	<u>(68,283)</u>	<u>(67,987)</u>
Net Change in Cash and Cash Equivalents	(105,071)	(29,649)
Effects of currency translations	(928)	1,011
Cash and Cash Equivalents at beginning of the year	311,395	460,869
Cash and Cash Equivalents at end of the period	<u>205,396</u>	<u>432,231</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 2015 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 2015. The audited financial statements of the Group for the year ended 31 December 2015 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 2015.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015, 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 2016:

Amendments to MFRS 10,

MFRS 12 and MFRS 128

Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 10 and
MFRS 128

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

Amendments to MFRS 11

Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101

Disclosure Initiative

Amendments to MFRS 116
and MFRS 138

Clarification of Acceptable Methods of Depreciation and
Amortisation

Amendments to MFRS 127

Equity Method in Separate Financial Statements

Amendments to MFRSs

Annual Improvements to MFRSs 2012 - 2014 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

Amendments to MFRS 107	Disclosure Initiative ¹
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses ¹
MFRS 9	Financial Instruments ²
MFRS 15	Revenue from Contracts with Customers ²
MFRS 16	Leases ³

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

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

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 except for MFRS 9 and MFRS 15. The Group is currently assessing the impact of adopting both MFRS 9 and MFRS 15.

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

A fourth interim single tier dividend of 7.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2015 amounting to RM59.479 million was paid on 20 April 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:

3 Months Ended 31 March	Cement		Aggregates & Concrete		Elimination		Total	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Segment revenue								
External revenue	543,897	571,019	125,883	125,068	-	-	669,780	696,087
Internal revenue	84,535	76,761	2,565	685	(87,100)	(77,446)	-	-
	<u>628,432</u>	<u>647,780</u>	<u>128,448</u>	<u>125,753</u>	<u>(87,100)</u>	<u>(77,446)</u>	<u>669,780</u>	<u>696,087</u>
Segment profit / (loss)	<u>39,665</u>	<u>97,011</u>	<u>(2,644)</u>	<u>2,288</u>	<u>-</u>	<u>-</u>	<u>37,021</u>	<u>99,299</u>
Reconciliation of segment profit to consolidated profit before tax:								
Interest income							552	1,912
Finance cost							(3,467)	-
Share in results of associate							(3,356)	(1,856)
Consolidated profit before tax							<u>30,750</u>	<u>99,355</u>
Segment assets	<u>4,041,139</u>	<u>3,551,081</u>	<u>290,402</u>	<u>253,785</u>	<u>(320,585)</u>	<u>(289,366)</u>	<u>4,010,956</u>	<u>3,515,500</u>
Reconciliation of segment assets to consolidated total assets:								
Investment in associate							29,479	20,874
Unallocated corporate assets							241,587	451,431
Consolidated total assets							<u>4,282,022</u>	<u>3,987,805</u>
Segment liabilities	<u>798,391</u>	<u>754,419</u>	<u>216,007</u>	<u>195,154</u>	<u>(318,487)</u>	<u>(281,316)</u>	<u>695,911</u>	<u>668,257</u>
Reconciliation of segment liabilities to consolidated total liabilities:								
Interest bearing instruments							341,170	-
Unallocated corporate liabilities							191,378	189,031
Consolidated total liabilities							<u>1,228,459</u>	<u>857,288</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 March 2016 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

In the previous quarter, 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).

During the current period under review, the Group completed its acquisition on the remaining 30% equity interests not already owned by the Group in Geocycle Malaysia Sdn Bhd, a subsidiary of the Group, for a net cash consideration of RM837,000.

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 March 2016 RM'000
In respect of capital expenditure:	
Approved and contracted for	38,942
Approved but not contracted for	69,932
	<hr/>
	108,874

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
Holcim (Australia) Pte Ltd	Subsidiary of Lafarge Holcim Ltd

The related party transactions for financial quarter ended 31 March 2016 are as follows:

Description of Transactions	RM'000
Penultimate holding company of the Company:	
Provision of trademark licence and general assistance fee	7,254
Specific technical assistance	-
Associate of the Group:	
Sales and/or purchase of cement and aggregates	16,941
Batching income	417
Management service fee	67
Subsidiaries of ultimate holding company of the Company:	
Sale and/or purchase of cement and clinker	50,067
Maintenance of hardware and software	2,269
Service fee for sourcing alternative fuel and raw materials	431
Rental income of office premises	169
Chartering of vessels	7,997
Industrial franchising fees	1,711
Administrative and supporting service fee	280
Service fees for sourcing solid fuels	340
Purchase of copper slag	144

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 vs. Corresponding Quarter of Previous Year.

The Group's reported revenue of RM669.8 million during the current quarter was 3.8% lower against the revenue of RM696.1 million recorded in the corresponding quarter last year. The lower revenue was mainly attributed to the lower sales contribution from cement segment due to stiff competition in the market and continued pricing pressures.

The Group's current quarter profit before tax declined by 69.1% from RM99.4 million recorded in the corresponding quarter of last year to RM30.8 million. This was mainly due to the lower contribution from cement segment following continued price competition and one-off Holcim integration costs. The higher share of loss in an associate coupled with higher depreciation charges and higher finance cost arising from the borrowings raised late last year to fund the acquisition of Holcim Malaysia also contributed to the Group's lower profit before tax.

The Group's interest income of RM0.6 million for the current quarter was lower compared with RM1.9 million in the corresponding quarter last year due to lesser amount of fund placed on short term deposits.

B2. Comparison with Preceding Quarter

	1st Quarter Ended 31 March 2016 RM'000	4th Quarter Ended 31 December 2015 RM'000
Revenue	669,780	718,305
Profit before tax	<u>30,750</u>	<u>64,916</u>

The Group's profit before tax for the current quarter of RM30.8 million was 52.6% lower than the preceding quarter. This was mainly attributed to the lower contributions from cement segment as a result of stiff competition. The Group's share of loss of RM3.4 million from its associated company during the current quarter against a share of profit of RM1.1 million in the preceding quarter also contributed to the lower profit for the current quarter.

B3. Prospects

Whilst the outlook for the construction sector remains positive in the mid-term with continued progress in key infrastructure projects as well as on-going commercial and residential developments, the Group is perceiving signs of a slowdown. Stiff competition and pricing pressures continue to pose a challenge for the cement industry.

Nevertheless, the Group will continue its efforts on differentiation, and in developing solutions and offers to meet customers' needs in the building and infrastructure segments. At the same time, there will be continued focus on enhancing efficiency of its overall operations.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 31 March 2016.

B5. Income Tax Expense

Income tax expense comprises the following:

	1st Quarter Ended 31 March 2016 RM'000
In respect of current year:	
- income tax	10,090
- deferred tax	1,615
In respect of prior year:	
- income tax	450
- deferred tax	(2,228)
Total tax expense	<u>9,927</u>

The Group's effective tax rate for the current quarter is above the statutory tax rate of 24% 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 March 2016 RM'000	As at 31 December 2015 RM'000
<u>Short-term borrowings</u>		
Non-secured		
Bankers' acceptance	7,170	7,600
Medium Term Note	280,000	280,000
Revolving credit	40,000	39,500
Term loan (current)	7,000	7,000
	334,170	334,100
 <u>Long-term borrowings</u>		
Non-secured		
Term loan (non-current)	7,000	7,000
	7,000	7,000
Total Group borrowings	341,170	341,100

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 first interim single tier dividend of 3 sen (2015: 8 sen) per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2016 which will be paid on 27 July 2016. The entitlement date for the dividend payment is on 30 June 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 30 June 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

	1st Quarter Ended		Year to Date Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Profit for the period is arrived after charging:				
Allowance for inventory obsolescence	690	1,255	690	1,255
Amortisation of:				
- other intangible assets	161	69	161	69
- prepaid lease payments on leasehold land	1,311	1,885	1,311	1,885
Depreciation of:				
- investment property	1	7	1	7
- property, plant and equipment	43,149	37,928	43,149	37,928
Derivative loss	3,958	415	3,958	415
Impairment loss recognised on trade receivables	984	1,224	984	1,224
Property, plant and equipment written off	824	174	824	174
Provision for retirement benefits	2,343	2,118	2,343	2,118
Realised loss on foreign exchange	1,330	-	1,330	-
Unrealised loss on foreign exchange	5,023	-	5,023	-
	<hr/>	<hr/>	<hr/>	<hr/>
and after crediting:				
Gain on disposal of:				
- property, plant and equipment	76	148	76	148
- investment property	-	61	-	61
Reversal of impairment loss on trade receivables	322	705	322	705
Reversal of impairment loss on investment property	-	-	-	-
Realised gain on foreign exchange	-	390	-	390
Unrealised gain on foreign exchange	-	3,024	-	3,024
	<hr/>	<hr/>	<hr/>	<hr/>

B11. Earnings per share

Earnings per share are calculated as follows:

	1st Quarter Ended	
	31 March 2016	31 March 2015
Profit attributable to equity holders of the Company (RM'000)	20,653	73,692
Weighted average number of ordinary shares in issue ('000)	849,695	849,695
Basic and diluted earnings per share (sen)	2.4	8.7

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 March 2016, into realised and unrealised profits, is as follows:

	As at 31 March 2016 RM'000	As at 31 December 2015 RM'000
Total retained earnings of the Group:		
- realised	1,383,230	1,401,158
- unrealised	(19,503)	10,638
	<u>1,363,727</u>	<u>1,411,796</u>
Total share of retained earnings from associate:		
- realised	2,016	25,140
	<u>1,365,743</u>	<u>1,436,936</u>
Less: Consolidation adjustments	(294,899)	(327,670)
Total retained earnings as per statement of financial position	<u>1,070,844</u>	<u>1,109,266</u>

Dated: 23 May 2016

Petaling Jaya, Selangor Darul Ehsan.