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

	3rd Quarter Ended		Year to Date Ended	
	30 September 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Revenue	**587,249**	**670,880**	**1,915,833**	**2,032,515**
Operating expenses	(530,670)	(543,498)	(1,674,142)	(1,655,802)
Depreciation and amortisation	(52,552)	(39,223)	(142,661)	(118,922)
Other income/(expenses)	3,216	6,122	(15,585)	19,665
Investment income	2,226	1,944	6,157	5,791
Interest income	373	971	959	4,367
Profit from operations	**9,842**	**97,196**	**90,561**	**287,614**
Finance cost	(4,597)	(178)	(12,236)	(214)
Share in results of associate	43	(1,879)	(7,714)	(7,159)
Profit before tax	**5,288**	**95,139**	**70,611**	**280,241**
Income tax expense	(1,186)	(24,588)	(27,059)	(72,426)
Profit for the period	**4,102**	**70,551**	**43,552**	**207,815**
Other comprehensive income/(loss),				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operation	(859)	(6,927)	(651)	(12,799)
Net change in cash flow hedges	165	1,198	(633)	1,799
Total other comprehensive loss for the period, net of tax	**(694)**	**(5,729)**	**(1,284)**	**(11,000)**
Total comprehensive income for the period	**3,408**	**64,822**	**42,268**	**196,815**
Profit attributable to:				
Owners of the Company	3,727	70,650	42,735	207,661
Non-controlling interests	375	(99)	817	154
	4,102	**70,551**	**43,552**	**207,815**
Total comprehensive income attributable to:				
Owners of the Company	3,033	64,922	41,451	196,661
Non-controlling interests	375	(100)	817	154
	3,408	**64,822**	**42,268**	**196,815**
Basic and diluted earnings per share (sen)	0.4	8.3	5.0	24.4

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31st December 2015 and the accompanying explanatory notes attached to the interim financial statements)

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

	Note	As at 30 September 2016 RM'000	As at 31 December 2015 (Restated) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,658,637	1,666,395
Investment property		3,141	3,143
Prepaid lease payments on leasehold land		100,280	104,466
Goodwill on consolidation		1,412,141	1,412,141
Other intangible assets		23,849	25,742
Investment in associate		26,342	34,298
Other financial assets		2,171	2,171
Deferred tax assets		2,101	5,755
		3,228,662	3,254,111
Current assets			
Inventories		307,094	290,411
Current tax assets		47,035	13,857
Trade receivables		409,534	432,245
Other receivables and prepaid expenses		32,069	38,133
Amounts owing by holding and other related companies		11,724	20,902
Derivative financial assets		764	1,044
Cash and bank balances		167,399	311,395
		975,619	1,107,987
Total assets		**4,204,281**	**4,362,098**
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		849,695	849,695
Reserves:			
Share premium		1,067,199	1,067,199
Exchange equalisation reserve		27,776	28,427
Capital redemption reserve		33,798	33,798
Investments revaluation reserve		36	36
Hedging reserve		(508)	125
Retained earnings		1,051,474	1,110,595
Equity attributable to owners of the Company		3,029,470	3,089,875
Non-controlling interests		4,801	4,929
Total equity		3,034,271	3,094,804

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

	Note	As at 30 September 2016 RM'000	As at 31 December 2015 (Restated) RM'000
Non-current liabilities			
Borrowings	B7	3,500	7,000
Retirement benefits		69,712	68,533
Deferred tax liabilities		164,895	188,546
		238,107	264,079
Current liabilities			
Trade payables		423,134	443,825
Other payables and accrued expenses		79,328	103,115
Amounts owing to holding and other related companies		35,603	48,861
Borrowings	B7	372,301	334,100
Derivative financial liabilities		-	162
Current tax liabilities		4,543	5,176
Dividend payable		16,994	67,976
		931,903	1,003,215
Total liabilities		1,170,010	1,267,294
Total equity and liabilities		**4,204,281**	**4,362,098**
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.57	3.64
Net tangible assets per share attributable to ordinary equity holders of the Company (RM)		1.88	1.94

(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							→		
	← 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	Total RM'000	Non-controlling Interests RM'000	Total Equity 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
Prior years' adjustments (Note A4)	-	-	-	-	-	-	1,329	1,329	(296)	1,033
As restated	849,695	1,067,199	33,798	28,427	36	125	1,110,595	3,089,875	4,929	3,094,804
Profit for the period	-	-	-	-	-	-	42,735	42,735	817	43,552
Other comprehensive loss for the year, net of tax	-	-	-	(651)	-	(633)	-	(1,284)	-	(1,284)
Acquisition of additional interests in an existing subsidiary	-	-	-	-	-	-	108	108	(945)	(837)
Dividends	-	-	-	-	-	-	(101,964)	(101,964)	-	(101,964)
As at 30 September 2016	849,695	1,067,199	33,798	27,776	36	(508)	1,051,474	3,029,470	4,801	3,034,271
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	-	-	-	-	-	-	207,661	207,661	154	207,815
Other comprehensive (loss)/ income for the period, net of tax	-	-	-	(12,799)	-	1,799	-	(11,000)	-	(11,000)
Dividends	-	-	-	-	-	-	(203,928)	(203,928)	-	(203,928)
As at 30 September 2015	849,695	1,067,199	33,798	24,328	36	3,218	1,135,180	3,113,454	4,377	3,117,831

(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

	9 months Financial Period Ended	
	30 September 2016 RM'000	30 September 2015 RM'000
Cash Flows From Operating Activities		
Profit before tax	70,611	280,241
Adjustments for:-		
Allowance for inventory obsolescence	1,559	4,201
Amortisation of:		
- other intangible assets	1,893	207
- prepaid lease payments on leasehold land	4,191	5,189
Depreciation of:		
- investment property	2	9
- property, plant and equipment	136,575	113,517
Derivative loss/(gain)	148	(5,374)
Finance cost	12,236	214
Impairment loss recognised on trade receivables	721	-
Interest income	(959)	(4,367)
Loss/(gain) on disposal of:		
- property, plant and equipment	992	(1,336)
- prepaid lease payments on leasehold lands	-	(61)
Property, plant and equipment written off	1,274	496
Provision for retirement benefits	6,952	6,343
Reversal of impairment loss on trade receivables	-	(853)
Unrealised loss/(gain) on foreign exchange	1,386	(21,599)
Share in results of associate	7,714	7,159
Operating profit before changes in working capital	245,295	383,986
(Increase)/Decrease in:		
Inventories	(18,328)	(34,617)
Receivables	11,959	(103,321)
Amounts owing by holding and other related companies	9,178	2,854
(Decrease)/Increase in:		
Payables	(14,093)	(19,932)
Amounts owing to holding and other related companies	(13,086)	9,185
Cash generated from operations	220,925	238,155
Retirement benefits paid	(5,773)	(1,330)
Tax paid	(81,580)	(79,469)
Net cash generated from operating activities	133,572	157,356

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

	9 months Financial Period Ended	
	30 September 2016 RM'000	30 September 2015 RM'000
Cash Flows From Investing Activities		
Additions to property, plant and equipment	(152,717)	(111,871)
Acquisition of additional interest in associate	-	(14,049)
Acquisitions of additional interests in an existing subsidiary	(837)	-
Interest received	959	4,367
Payment for prepaid lease payments	(5)	1
Proceeds from disposal of:		
- property, plant and equipment	2,365	1,558
- investment property	-	197
- investment	-	18
Net cash used in investing activities	(150,235)	(119,779)
Cash Flows From Financing Activities		
Dividends paid	(152,946)	(203,928)
Interest paid	(9,242)	(214)
Drawdown of borrowings	500	-
Repayment of borrowings	(11,100)	(11)
Net cash used in financing activities	(172,788)	(204,153)
Net Change in Cash and Cash Equivalents	(189,451)	(166,576)
Effects of currency translations	154	(19,112)
Cash and Cash Equivalents at beginning of the year	311,395	460,869
Cash and Cash Equivalents at end of the period	122,098	275,181
Cash and bank balances	167,399	275,181
Bank overdraft (Note B7)	(45,301)	-
	122,098	275,181

(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)

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 15	Clarification to MFRS 15 Revenue from Contracts with Customers[2]
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. Completion of Purchase Price Allocation

During the current financial period, the Group has completed the purchase price allocation ("PPA") exercise to determine the fair values of the net assets of Holcim (Malaysia) Sdn Bhd and its subsidiaries comprising Holcim Marketing (Malaysia) Sdn Bhd, ISB Kuari Kota Tinggi Sdn Bhd and Geocycle Malaysia Sdn Bhd ("Holcim Malaysia") within the stipulated time period, ie 12 months from the acquisition date of 16 November 2015, in accordance with MFRS 3 "Business Combinations". Based on the fair values of the net assets of Holcim Malaysia, the goodwill amount has increased from RM203.9 million to RM208.5 million. The adjusted fair value of Holcim Malaysia have been reflected in the Group's Consolidated Statement of Financial Position as at previous financial year ended 31 December 2015.

Below are the effects of the final PPA adjustments in accordance with MFRS 3:

	As previously stated RM'000	**Adjustments RM'000**	**As restated RM'000**
As at 31 December 2015			
Consolidated Statement of Financial Position			
Non-current assets			
Property, plant and equipment	1,659,851	6,544	1,666,395
Prepaid lease payments on leasehold land	97,022	7,444	104,466
Goodwill on consolidation	1,407,589	4,552	1,412,141
Other intangible assets	39,643	(13,901)	25,742
Current assets			
Trade receivables	432,772	(527)	432,245
Other receivables and prepaid expenses	39,075	(942)	38,133

A4. Completion of Purchase Price Allocation (continued)

Below are the effects of the final PPA adjustments in accordance with MFRS 3: (continued)

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
As at 31 December 2015			
Consolidated Statement of Financial Position			
<u>Non-current liability</u>			
Deferred tax liabilities	189,657	(1,111)	188,546
<u>Current liability</u>			
Other payables and accrued expenses	99,867	3,248	103,115
Consolidated Statement of Changes in Equity			
Retained earnings	1,109,266	1,329	1,110,595
Non-controlling interests	5,225	(296)	4,929

A5. 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.

A6. 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.

A7. 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.

A8. 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 financial period under review.

A9. 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.

A first interim single tier dividend of 3.0 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2016 amounting to RM25.491 million was paid on 27 July 2016.

A second interim single tier dividend of 2.0 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2016 amounting to RM16.994 million was paid on 27 October 2016.

A10. 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

A10. Segmental Information (continued)

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

9 Months Ended 30 September	Cement 2016 RM'000	Cement 2015 RM'000	Aggregates & Concrete 2016 RM'000	Aggregates & Concrete 2015 RM'000	Elimination 2016 RM'000	Elimination 2015 RM'000	Total 2016 RM'000	Total 2015 RM'000
Segment revenue								
External revenue	1,479,276	1,681,251	436,557	351,264	-	-	1,915,833	2,032,515
Internal revenue	239,477	238,818	7,790	1,476	(247,267)	(240,294)	-	-
	1,718,753	1,920,069	444,347	352,740	(247,267)	(240,294)	1,915,833	2,032,515
Segment profit/(loss)	84,545	286,062	5,057	(2,815)	-	-	89,602	283,247
Reconciliation of segment profit to consolidated profit before tax:								
Interest income							959	4,367
Finance cost							(12,236)	(214)
Share in results of associate							(7,714)	(7,159)
Consolidated profit before tax							70,611	280,241
Segment assets	4,089,124	3,709,076	337,112	274,144	(467,003)	(350,861)	3,959,233	3,632,359
Reconciliation of segment assets to consolidated total assets:								
Investment in associate							26,342	32,085
Unallocated corporate assets							218,706	300,972
Consolidated total assets							4,204,281	3,965,416
Segment liabilities	854,992	806,200	236,763	208,642	(466,984)	(348,841)	624,771	666,001
Reconciliation of segment liabilities to consolidated total liabilities:								
Interest bearing instruments							375,801	-
Unallocated corporate liabilities							169,438	181,584
Consolidated total liabilities							1,170,010	847,585

A11. 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.

A12. Material Events Subsequent to Quarter End

On 17th October 2016, Lafarge Aggregates Sdn Bhd, a subsidiary of the Group, had entered into a Share Sale Agreement with Cabaran Premix Sdn Bhd, for the the disposal of 500,000 ordinary shares of RM1.00 each in the capital of Lafarge Aggregates (Ipoh) Sdn Bhd ("LAI") representing its entire shareholding interest in the capital of LAI, at a consideration of RM28 million.

Except as disclosed above, there were no other material events subsequent to the current financial quarter 30 September 2016 up to the date of this report which are likely to substantially affect the results of the operations of the Group.

A13. Changes in Group Composition

During the first quarter period ended 31 March 2016, 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 RM0.8 million.

A14. Contingent Liabilities

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

A15. 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 30 September 2016 RM'000
In respect of capital expenditure:	
Approved and contracted for	36,564
Approved but not contracted for	68,977
	105,541

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 revenue decreased by 12.5% to RM587.2 million during the current quarter from RM670.9 million recorded in the corresponding quarter last year. This decrease was mainly attributable to the lower sales contribution from Cement segment due to the soft market demand which were affected by the slowdown in the property market and delay in some mega infrastructure projects, partially mitigated by the higher sales contribution from Concrete segment.

The Group's current quarter profit before tax declined by 94.4% from RM95.1 million recorded in the corresponding quarter of last year to RM5.3 million. This decrease was mainly attributable to the lower operating profits from cement segment due to weak demand and pricing pressure. The lower profitability was also as a result of lower foreign exchange gain compared to Q3 2015 and higher finance cost arising from the borrowings raised late last year to fund the acquisition of Holcim Malaysia which was completed in quarter 4 2015.

Current Period To Date vs. Corresponding Period to Date of Previous Year.

The Group registered a decrease in revenue by 5.7% to RM1,915.8 million for the 9 months ended 30 September 2016 against corresponding period last year of RM2,032.5 million. This decrease was mainly attributable to the lower sales revenue from cement segment affected by weak demand and pricing pressure, partially mitigated by the higher sales contribution from concrete segment.

The Group's profit before tax weaken by 74.8% to RM70.6 million as compared to the corresponding period last year of RM280.2 million which was mainly attributable to the lower revenue from cement segment, one-off income on insurance claims in Q2 2015, one-off Holcim integration costs, lower foreign exchange gain, lower interest income and higher finance costs due to new borrowings raised late last year to fund the acquisition of Holcim Malaysia.

B2. Comparison with Preceding Quarter

	3rd Quarter Ended 30 September 2016 RM'000	2nd Quarter Ended 30 June 2016 RM'000
Revenue	587,249	658,804
Profit before tax	5,288	34,573

The Group's profit before tax for the current quarter of RM5.3 million was 84.7% lower than the preceding quarter. This was mainly attributable to the lower sales contribution from cement segment due to the further contraction in the domestic market demand which exacerbated the pressure on the cement prices.

B3. Prospects

There is continued pricing pressure and stiff competition in the cement industry and we expect that this will continue through to the next quarter. Prospects for the construction industry in the mid to long term show positive trend particularly in key infrastructure development as well as commercial and residential projects.

The Group will continue its focus on differentiation through its product offerings, solutions and services for the building and infrastructure segments to meet customer needs. Achieving cost leadership remains a top priority with focus on the optimization of the Group's network of assets and operations for operational efficiency.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 30 September 2016.

B5. Income Tax Expense

Income tax expense comprises the following:

	3rd Quarter Ended 30 September 2016 RM'000	Year To Date Ended 30 September 2016 RM'000
In respect of current year:		
- income tax	13,951	51,377
- deferred tax	(12,046)	(22,887)
In respect of prior year:		
- income tax	(3,629)	(3,594)
- deferred tax	2,910	2,163
Total tax expense	(1,186)	(27,059)

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. Apart from that, it is also due to the non-recognition of unutilised tax losses.

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 30 September 2016 RM'000	**As at 31 December 2015 RM'000**
Short-term borrowings		
Non-secured		
Bankers' acceptance	-	7,600
Medium Term Note	280,000	280,000
Revolving credit	40,000	39,500
Term loan (current)	7,000	7,000
Bank overdraft	45,301	-
	372,301	334,100
Long-term borrowings		
Non-secured		
Term loan (non-current)	3,500	7,000
Total Group borrowings	375,801	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 hearing dates for this matter have been fixed for April 2017.

B9. Dividend

The Directors do not recommend any interim dividend for the current quarter under review.

B10. Profit for the Period/Year

	3rd Quarter Ended		Year to Date Ended	
	30 September 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Profit for the period is arrived after charging:				
Allowance for inventory obsolescence	1,470	2,256	1,559	4,201
Amortisation of:				
- other intangible assets	475	69	1,893	207
- prepaid lease payments on leasehold land	1,545	1,421	4,191	5,189
Depreciation of:				
- investment property	1	1	2	9
- property, plant and equipment	50,531	37,732	136,575	113,517
Derivative loss	-	-	148	-
Loss on disposal of property, plant and equipment	-	-	992	-
Impairment loss recognised on trade receivables	-	448	721	2,004
Property, plant and equipment written off	428	-	1,274	496
Provision for retirement benefits	2,328	2,112	6,952	6,343
Realised loss on foreign exchange	-	5,804	-	8,159
Unrealised loss on foreign exchange	-	-	1,386	-
and after crediting:				
Derivative gain	1,345	4,513	-	5,374
Gain on disposal of:				
- property, plant and equipment	1,494	1,195	-	1,336
- investment property	-	-	-	61
Reversal of impairment loss on trade receivables	2,328	1,088	-	2,857
Realised gain on foreign exchange	1,024	-	5,181	-
Unrealised gain on foreign exchange	1,206	14,417	-	21,599

B11. Earnings per share

Earnings per share are calculated as follows:

	3rd Quarter Ended		Year To Date Ended	
	30 September 2016	**30 September 2015**	**30 September 2016**	**30 Septembe r 2015**
Profit attributable to equity holders of the Company (RM'000)	3,727	70,650	42,735	207,661
Weighted average number of ordinary shares in issue ('000)	849,695	849,695	849,695	849,695
Basic and diluted earnings per share (sen)	**0.4**	**8.3**	**5.0**	**24.4**

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 30 September 2016, into realised and unrealised profits, is as follows:

	As at 30 September 2016 RM'000	**As at 31 December 2015 RM'000**
Total retained earnings of the Group:		
- realised	1,336,010	1,401,158
- unrealised	28,314	10,638
	1,364,324	1,411,796
Total share of retained earnings from associate:		
- realised	17,383	25,140
	1,381,707	1,436,936
Less: Consolidation adjustments	(330,233)	(326,341)
Total retained earnings as per statement of financial position	1,051,474	1,110,595

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