

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

	4th Quarter Ended		Year to Date Ended	
	31 December	31 December	31 December	31 December
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Revenue	548,158	576,355	2,122,297	2,248,833
Cost of sales	(489,607)	(502,653)	(2,004,976)	(1,961,678)
Gross profit	58,551	73,702	117,321	287,155
Selling and distribution expenses	(98,578)	(109,453)	(383,295)	(423,173)
Administration expenses	(21,304)	(39,686)	(84,269)	(114,097)
Other expenses	(14,514)	(23,869)	(31,312)	(13,827)
Investment income	2,541	2,672	10,289	9,902
Loss from operations	(73,304)	(96,634)	(371,266)	(254,040)
Interest income	741	884	3,809	5,117
Finance cost	(9,129)	(7,489)	(36,007)	(25,099)
Share of results in joint venture	1,619	418	(1,924)	(5,015)
Loss before tax	(80,073)	(102,821)	(405,388)	(279,037)
Income tax credit	22,841	23,459	86,521	65,452
Loss for the period	(57,232)	(79,362)	(318,867)	(213,585)
Items that will not be reclassified subsequently to profit or loss:				
Defined benefits retirement plan actuarial gains	12,639	6,346	12,639	5,901
Net change in equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI)	1,078	-	1,078	-
	13,717	6,346	13,717	5,901
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operation	382	1,814	647	235
Net change in cash flow hedges	(999)	1,753	1,107	(1,212)
Net change in available-for-sale investment	-	778	-	778
Total other comprehensive income for the period, net of tax	13,100	10,691	15,471	5,702
Total comprehensive loss for the period	(44,132)	(68,671)	(303,396)	(207,883)

LAFARGE MALAYSIA BERHAD (1877-T)
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	4th Quarter Ended		Year to Date Ended	
	31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
(Loss)/profit attributable to:				
Owners of the Company	(57,539)	(80,124)	(319,351)	(215,160)
Non-controlling interests	307	762	484	1,575
	(57,232)	(79,362)	(318,867)	(213,585)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(44,524)	(69,497)	(303,965)	(209,493)
Non-controlling interests	392	826	569	1,610
	(44,132)	(68,671)	(303,396)	(207,883)
Basic and diluted loss per share (sen)	(6.8)	(9.4)	(37.6)	(25.3)

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31st December 2017 and the accompanying explanatory notes attached to the interim financial statements)

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

	As at 31 December 2018 RM'000	As at 31 December 2017 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	1,652,634	1,734,758
Investment property	3,132	3,135
Prepaid lease payments on leasehold land	69,043	71,974
Goodwill on consolidation	1,387,089	1,396,134
Other intangible assets	18,151	20,299
Investment in joint venture	18,322	20,249
Other financial assets	4,106	3,209
Deferred tax assets	170,086	61,255
	3,322,563	3,311,013
<u>Current assets</u>		
Inventories	345,368	358,964
Current tax assets	72,568	83,100
Trade receivables	355,646	408,819
Other receivables and prepaid expenses	74,359	70,664
Amounts owing by holding and other related companies	22,493	23,085
Derivative financial assets	60	69
Cash and bank balances	84,238	99,906
	954,732	1,044,607
Total assets	4,277,295	4,355,620
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Share capital	1,950,692	1,950,692
Reserves:		
Exchange equalisation reserve	28,516	27,869
Investments revaluation reserve	2,212	1,134
Hedging reserve	(85)	(1,192)
Retained earnings	562,357	870,704
Equity attributable to owners of the Company	2,543,692	2,849,207
Non-controlling interests	7,109	6,540
Total equity	2,550,801	2,855,747

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

	Note	As at 31 December 2018 RM'000	As at 31 December 2017 RM'000
<u>Non-current liabilities</u>			
Borrowings	B7	279,639	279,387
Retirement benefits		54,462	71,514
Deferred tax liabilities		128,198	117,205
		<u>462,299</u>	<u>468,106</u>
<u>Current liabilities</u>			
Trade payables		456,540	504,852
Other payables and accrued expenses		166,665	236,200
Amounts owing to holding and other related companies		79,163	82,631
Intercompany borrowings	B7	257,159	-
Borrowings	B7	300,635	205,000
Derivative financial liabilities		2,500	1,643
Current tax liabilities		1,533	1,441
		<u>1,264,195</u>	<u>1,031,767</u>
Total liabilities		<u>1,726,494</u>	<u>1,499,873</u>
Total equity and liabilities		<u>4,277,295</u>	<u>4,355,620</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>2.99</u>	<u>3.35</u>
Net tangible assets per share attributable to ordinary equity holders of the Company (RM)		<u>1.34</u>	<u>1.69</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 2017 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYSIA BERHAD (1877-T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non-distributable →						Distributable		Non-controlling Interests RM'000	Total Equity RM'000
	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		
As at 1 January 2018	1,950,692	-	-	27,869	1,134	(1,192)	870,704	2,849,207	6,540	2,855,747
(Loss)/profit for the year	-	-	-	-	-	-	(319,351)	(319,351)	484	(318,867)
Other comprehensive income for the year, net of tax	-	-	-	647	1,078	1,107	12,554	15,386	85	15,471
Dividend to non-controlling interests	-	-	-	-	-	-	(1,550)	(1,550)	-	(1,550)
As at 31 December 2018	1,950,692	-	-	28,516	2,212	(85)	562,357	2,543,692	7,109	2,550,801
As at 1 January 2017	849,695	1,067,199	33,798	27,634	356	20	1,079,998	3,058,700	4,930	3,063,630
(Loss)/profit for the year	-	-	-	-	-	-	(215,160)	(215,160)	1,575	(213,585)
Other comprehensive income/(loss) for the year, net of tax	-	-	-	235	778	(1,212)	5,866	5,667	35	5,702
Transfer arising from “no par value” regime	1,100,997	(1,067,199)	(33,798)	-	-	-	-	-	-	-
As at 31 December 2017	1,950,692	-	-	27,869	1,134	(1,192)	870,704	2,849,207	6,540	2,855,747

(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 2017 and the accompanying explanatory notes attached to the interim financial statements)

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

	Financial Year Ended	
	31 December	31 December
	2018	2017
	RM'000	RM'000
<u>Cash Flows From Operating Activities</u>		
Loss before tax	(405,388)	(279,037)
Adjustments for:-		
(Reversal of provision)/provision for inventory obsolescence	(544)	1,044
Amortisation of:		
- other intangible assets	2,148	2,857
- prepaid lease payments on leasehold land	5,776	4,772
Depreciation of:		
- investment property	3	4
- property, plant and equipment	182,639	201,672
Unrealised loss on derivative	2,189	347
Dividend income	(225)	(198)
Finance cost	36,007	25,099
Allowance for doubtful debts	5,057	2,222
Interest income	(3,809)	(5,117)
Loss/(gain) on disposal of:		
- property, plant and equipment	519	(5,837)
- prepaid lease payment	-	(8,984)
- unquoted investment	96	10
Property, plant and equipment written off	4,687	8,202
Provision for retirement benefits	4,540	3,754
Allowance for doubtful debts no longer required	(1,457)	(3,613)
Impairment of goodwill	9,045	-
Unrealised loss on foreign exchange	1,035	5,256
Share of results in joint venture	1,924	5,015
Operating loss before changes in working capital	(155,758)	(42,532)
Decrease/(Increase) in:		
Inventories	13,346	(81,593)
Receivables	45,921	(11,006)
Amounts owing by holding and other related companies	2,633	(6,468)
(Decrease)/Increase in:		
Payables	(76,286)	34,978
Amounts owing to holding and other related companies	(3,200)	59,834
Cash used in operations	(173,344)	(46,787)
Retirement benefits paid	(7,212)	(4,635)
Tax paid	(4,693)	(39,584)
Net cash used in operating activities	(185,249)	(91,006)

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

	Financial Year Ended	
	31 December	31 December
	2018	2017
	RM'000	RM'000
<u>Cash Flows From Investing Activities</u>		
Additions to property, plant and equipment	(148,033)	(156,607)
Dividend received	225	198
Interest received	3,809	5,117
Payment for prepaid lease payments	-	(290)
Proceeds from disposal of:		
- property, plant and equipment	558	6,452
- prepaid lease payment	-	11,644
- unquoted investment	85	50
	(143,356)	(133,436)
<u>Cash Flows From Financing Activities</u>		
Dividends paid to non-controlling interests	(1,550)	-
Interest paid	(37,578)	(17,881)
Intercompany borrowings received	256,350	-
Drawdown of borrowings	150,216	430,282
Repayment of borrowings	(100,000)	(287,000)
	267,438	125,401
Net cash generated from financing activities		
	(61,167)	(99,041)
Net Change in Cash and Cash Equivalents		
Effects of currency translations	80	(771)
Cash and Cash Equivalents at beginning of the year	99,906	199,718
	38,819	99,906
Cash and Cash Equivalents at end of the year		
	84,238	99,906
Cash and bank balances		
Bank overdraft (Note B7)	(45,419)	-
	38,819	99,906
	38,819	99,906

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31st December 2017 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 2017. The audited financial statements of the Group for the year ended 31 December 2017 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 2017.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2017, except for the adoption of the following MFRSs and amendments to MFRSs:

Adoption of Standards, Issue Committee (“IC”) Interpretation and Amendments

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

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers (and the related clarification)
Amendments to MFRS 2	Classification and Measurement of Shared-based Payment Transaction
Amendments to MFRS 140	Transfers of Investment Property
Amendments to MFRSs	Annual Improvements to MFRSs 2014 - 2016 Cycle
	i. MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>
	ii. MFRS 12 <i>Disclosure of Interests in Other Entities</i>
	iii. MFRS 128 <i>Investments in Associates and Joint Venture</i>
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the abovementioned Standards, IC Interpretation and Amendments 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 Standards, IC Interpretation and Amendments that have been issued but are not yet effective:

MFRS 16	Leases ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement ¹
Amendments to MFRS 128	Long-term Interests in Associates and Joint Venture ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle ¹ i. MFRS 3 <i>Business Combinations</i> ii. MFRS 11 <i>Joint Arrangements</i> iii. MFRS 112 <i>Income Taxes</i> iv. MFRS 123 <i>Borrowing Costs</i>
IC Interpretation 23	Uncertainty over Income Tax Treatments ¹
Amendments to References to the Conceptual Framework in MFRS Standards ²	

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

² Effective for annual periods beginning on or after 1 January 2020

³ Effective date to be determined

The Directors anticipate that the abovementioned Standards, IC Interpretation and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards, IC Interpretation and Amendments will have no material impact on the financial statements of the Group in the period of initial application except for MFRS 16.

Further details of the impact on the financial statements in the period of initial application of MFRS 16 is as below:

MFRS 16 Leases

MFRS 16 will change how the Group accounts for leases previously classified as operating leases under MFRS 117, which were off-balance sheet.

On initial application of MFRS 16, for all leases (except as noted below), the Group will:

- i) Recognise right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- ii) Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group will opt to recognise a lease expense on a straight-line basis as permitted by MFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RM78,614,000.

A2. Significant Accounting Policies (continued)

MFRS 16 Leases (continued)

A preliminary assessment indicates that RM77,417,000 of these arrangements relate to leases other than short-term leases and leases of low-value assets, and hence the Group will recognise a right-of-use asset of RM69,735,000 and a corresponding lease liability of RM69,735,000 in respect of all these leases. The impact on profit or loss is to decrease operating cost by RM22,187,000, and to increase depreciation and interest expense by RM16,819,000 and RM3,788,000 respectively.

The preliminary assessment indicates that RM1,197,000 of these arrangements relate to short-term leases and leases of low-value assets.

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 financial period under review.

A8. Dividend Paid

There was no dividend payment during the financial year ended 31 December 2018.

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:

12 Months Ended 31 December	Cement		Aggregates & Concrete		Elimination		Total	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Segment revenue								
External revenue	1,538,140	1,617,187	584,157	631,646	-	-	2,122,297	2,248,833
Internal revenue	258,750	293,511	7,062	6,847	(265,812)	(300,358)	-	-
	<u>1,796,890</u>	<u>1,910,698</u>	<u>591,219</u>	<u>638,493</u>	<u>(265,812)</u>	<u>(300,358)</u>	<u>2,122,297</u>	<u>2,248,833</u>
Segment (loss)/profit	<u>(370,575)</u>	<u>(270,970)</u>	<u>(691)</u>	<u>16,930</u>	<u>-</u>	<u>-</u>	<u>(371,266)</u>	<u>(254,040)</u>
Reconciliation of segment (loss)/profit to consolidated loss before tax:								
Interest income							3,809	5,117
Finance cost							(36,007)	(25,099)
Share of results in joint venture							(1,924)	(5,015)
Consolidated loss before tax							<u>(405,388)</u>	<u>(279,037)</u>
Segment assets	<u>3,972,943</u>	<u>4,142,600</u>	<u>292,381</u>	<u>336,014</u>	<u>(337,349)</u>	<u>(390,713)</u>	<u>3,927,975</u>	<u>4,087,901</u>
Reconciliation of segment assets to consolidated total assets:								
Investment in joint venture							18,322	20,249
Unallocated corporate assets							330,998	247,470
Consolidated total assets							<u>4,277,295</u>	<u>4,355,620</u>
Segment liabilities	<u>872,579</u>	<u>1,047,215</u>	<u>234,694</u>	<u>238,492</u>	<u>(347,476)</u>	<u>(388,867)</u>	<u>759,797</u>	<u>896,840</u>
Reconciliation of segment liabilities to consolidated total liabilities:								
Interest bearing instruments							836,966	484,387
Unallocated corporate liabilities							129,731	118,646
Consolidated total liabilities							<u>1,726,494</u>	<u>1,499,873</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 other material events subsequent to the current financial quarter ended 31 December 2018 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 was no change in the composition for the Group in this quarter.

A13. Contingent Liabilities

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

A14. Commitments

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

	As at 31 December 2018 RM'000
In respect of capital expenditure:	
Approved and contracted for	17,211
Approved but not contracted for	108,942
	<u>126,153</u>

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 4.9% to RM548 million in the current quarter from RM576 million recorded in the corresponding quarter last year. This decrease is mainly attributable to lower sales from the Cement segment caused by the market conditions but compensated partially by higher export sales.

Despite the marginally lower revenue, the Group recorded a lower loss before tax for the current quarter of RM80 million compared to the loss before tax of RM103 million for the same period last year. The lower operating loss from the Cement segment is mainly due to the improvement in distribution cost attributed to better network route optimization and lower SG&A following a restructuring exercise towards a leaner organization and vigorous cost cutting measures, lower depreciation and higher one-off restructuring cost incurred in the corresponding quarter last year. The savings mentioned above was partially offset by the higher production costs due to higher energy prices, timing of plant maintenance and goodwill impairment in Aggregate & Concrete segment.

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

For the year ended 31 December 2018, the Group registered a drop in revenue by 5.6% from RM2,249 million recorded in last year to RM2,122 million this year. This is mainly due to market conditions. In addition, Aggregates and Concrete segment also recorded lower sales due to declining offtake of ready-mixed concrete from major projects nearing completion. The above was compensated partially by the higher export.

The Group recorded a loss before tax of RM405 million compared to loss before tax of RM279 million in last year. The higher loss is mainly attributed to Cement segment's lower revenue due to market conditions coupled with higher production cost due to lower production output and the increase in energy prices while partly compensated by reduction in distribution and SG&A cost. Last year's result also benefited from a one-off gain from disposal of land while this year's other expenses include an impairment of goodwill on Aggregate & Concrete segment, restructuring costs, loss on foreign exchange and asset write off.

B2. Comparison with Preceding Quarter

	4th Quarter Ended 31 December 2018 RM'000	3rd Quarter Ended 30 September 2018 RM'000
Revenue	548,158	495,115
Loss before tax	<u>(80,073)</u>	<u>(134,471)</u>

B2. Comparison with Preceding Quarter (continued)

The Group's revenue in current quarter is higher than last quarter mainly due to higher domestic and export sales from Cement segment.

In line with the higher revenue, the Group recorded a lower loss before tax of RM80 million compared to RM134 million in preceding quarter. The improved result is also attributed to the lower operating cost mainly due to the favourable energy and distribution costs partially offset by the goodwill impairment in Aggregates & Concrete segment. Last quarter's results was also impacted by the one-off inventory write-off and higher restructuring costs.

B3. Prospects

Domestic market condition remains uncertain and challenging. There is growing demand for clinker in the export markets with improving prices. Langkawi plant is well-positioned to benefit from this. Cost reduction and plant reliability remains a priority and the Group will also continue to focus on enhancing its operational efficiency further.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 31 December 2018.

B5. Income Tax Credit

Income tax credit comprises the following:

	4th Quarter Ended 31 December 2018 RM'000	Year to Date Ended 31 December 2018 RM'000
In respect of current year:		
- income tax	1,383	(13,632)
- deferred tax	25,435	100,723
In respect of prior year:		
- income tax	(3,461)	(1,689)
- deferred tax	(516)	1,119
Total tax credit	<u>22,841</u>	<u>86,521</u>

The Group's effective tax rate for the current quarter is higher than the statutory tax rate of 24% in Malaysia mainly due to the non-deductible expenses in certain subsidiaries.

B6. Status of Corporate Proposals

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

B7. Group Borrowings

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

	As at 31 December 2018 RM'000	As at 31 December 2017 RM'000
<u>Short-term borrowings</u>		
Non-secured		
Intercompany borrowings	257,159	-
Medium Term Note	-	100,000
Revolving credit and banker acceptance	255,216	105,000
Bank overdraft	45,419	-
	<hr/> 557,794	<hr/> 205,000
 <u>Long-term borrowings</u>		
Non-secured		
Medium Term Note (non-current)	279,639	279,387
Total Group borrowings	<hr/> 837,433	<hr/> 484,387

All borrowings are denominated in Ringgit Malaysia, except for an intercompany borrowings of RM236,559, which is denominated in Euro Dollar.

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 is at the pre-trial stage.

B9. Dividend

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

B10. Loss for the period

	<u>4th Quarter Ended</u>		<u>Year to Date Ended</u>	
	<u>31 December</u> <u>2018</u> <u>RM'000</u>	<u>31 December</u> <u>2017</u> <u>RM'000</u>	<u>31 December</u> <u>2018</u> <u>RM'000</u>	<u>31 December</u> <u>2017</u> <u>RM'000</u>
Loss for the period is arrived after charging:				
Provision for inventory obsolescence	-	1,570	-	1,044
Amortisation of:				
- other intangible assets	539	851	2,148	2,857
- prepaid lease payments	1,213	1,202	5,776	4,772
Depreciation of:				
- investment property	-	1	3	4
- property, plant and equipment	38,676	49,212	182,639	201,672
Derivative loss	975	4,279	2,873	3,744
Allowance for doubtful debts	-	176	5,057	2,222
Loss on disposal of:				
- property, plant and equipment	-	-	519	-
- investment property	-	121	-	-
- unquoted investments	-	-	96	10
Property, plant and equipment written off	985	5,324	4,687	8,202
Provision for retirement benefits	1,787	-	4,540	3,754
Realised loss on foreign exchange	203	239	1,348	-
Unrealised loss on foreign exchange	-	5,096	1,035	5,256
Impairment of goodwill	9,045	-	9,045	-
and after crediting:				
Gain on disposal of:				
- property, plant and equipment	42	90	-	5,837
- prepaid lease payment	-	-	-	8,984
Allowance for doubtful debts no longer required	476	2,066	1,457	3,613
Reversal of provision for inventory obsolescence	2,414	-	544	-
Reversal of provision for retirement benefits	-	4,416	-	-
Realised gain on foreign exchange	-	-	-	7,833
Unrealised gain on foreign exchange	4,028	-	-	-

B11. Comparatives

Certain comparative figures have been reclassified to conform to the current period's presentation.

	As previously reported RM'000	Reclassification RM'000	As reclassified RM'000
4th Quarter Ended 31 December 2017			
Consolidated Statement of Comprehensive Income			
Cost of sales	-		(502,653)
Selling and distribution expenses	-		(109,453)
Administration expenses	-		(39,686)
Operating expenses	(600,605)		-
Depreciation and amortisation	(51,266)		-
	(651,871)	79	(651,792)
Other expenses	(23,790)	(79)	(23,869)
Year to Date Ended 31 December 2017			
Consolidated Statement of Comprehensive Income			
Cost of sales	-		(1,961,678)
Selling and distribution expenses	-		(423,173)
Administration expenses	-		(114,097)
Operating expenses	(2,290,413)		-
Depreciation and amortisation	(209,305)		-
	(2,499,718)	770	(2,498,948)
Other expenses	(13,057)	(770)	(13,827)
Year to Date Ended 31 December 2017			
Consolidated Statement of Cash Flows			
<u>Cash Flows From Operating Activity</u>			
Working capital changes in Payables	55,649	(20,671)	34,978
<u>Cash Flows From Investing Activity</u>			
Additions to property, plant and equipment	(177,278)	20,671	(156,607)

B12. Loss per share

Loss per share is calculated as follows:

	4th Quarter Ended		Year to Date Ended	
	31	31	31	31
	December	December	December	December
	2018	2017	2018	2017
Loss attributable to equity holders of the Company (RM'000)	(57,539)	(80,124)	(319,351)	(215,160)
Weighted average number of ordinary shares in issue ('000)	849,695	849,695	849,695	849,695
Basic and diluted loss per share (sen)	(6.8)	(9.4)	(37.6)	(25.3)

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

Dated: 27 February 2019
Petaling Jaya, Selangor Darul Ehsan.