

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

	1 <sup>st</sup> Quarter Ended		Year to Date Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Revenue	538,701	546,829	538,701	546,829
Cost of sales	(469,785)	(492,423)	(469,785)	(492,423)
<b>Gross profit</b>	<b>68,916</b>	<b>54,406</b>	<b>68,916</b>	<b>54,406</b>
Selling and distribution expenses	(86,600)	(102,731)	(86,600)	(102,731)
Administration expenses	(17,562)	(20,991)	(17,562)	(20,991)
Other income / (expenses)	(1,104)	(6,996)	(1,104)	(6,996)
Investment income	885	2,477	885	2,477
<b>Loss from operations</b>	<b>(35,465)</b>	<b>(73,835)</b>	<b>(35,465)</b>	<b>(73,835)</b>
Interest income	1,014	1,161	1,014	1,161
Finance costs	(9,959)	(8,162)	(9,959)	(8,162)
Share of results in joint venture	2,625	(2,372)	2,625	(2,372)
<b>Loss before tax</b>	<b>(41,785)</b>	<b>(83,208)</b>	<b>(41,785)</b>	<b>(83,208)</b>
Income tax credit	10,010	14,543	10,010	14,543
<b>Loss for the period</b>	<b>(31,775)</b>	<b>(68,665)</b>	<b>(31,775)</b>	<b>(68,665)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences for foreign operation	298	2,530	298	2,530
Net change in cash flow hedges	(127)	271	(127)	271
<b>Total other comprehensive income for the period, net of tax</b>	<b>171</b>	<b>2,801</b>	<b>171</b>	<b>2,801</b>
<b>Total comprehensive loss for the period</b>	<b>(31,604)</b>	<b>(65,864)</b>	<b>(31,604)</b>	<b>(65,864)</b>

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	1 <sup>st</sup> Quarter Ended		Year to Date Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b>(Loss)/profit attributable to:</b>				
Owners of the Company	(32,071)	(68,732)	(32,071)	(68,732)
Non-controlling interests	296	67	296	67
	<b>(31,775)</b>	<b>(68,665)</b>	<b>(31,775)</b>	<b>(68,665)</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(31,900)	(65,931)	(31,900)	(65,931)
Non-controlling interests	296	67	296	67
	<b>(31,604)</b>	<b>(65,864)</b>	<b>(31,604)</b>	<b>(65,864)</b>
Basic and diluted loss per share (sen)	(3.8)	(8.1)	(3.8)	(8.1)

*(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> December 2018 and the accompanying explanatory notes attached to the interim financial statements)*

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

	<b>As at 31 March 2019 RM'000</b>	<b>As at 31 December 2018 RM'000</b>
<b>Note</b>		
<b>ASSETS</b>		
<u>Non-current assets</u>		
Property, plant and equipment	1,621,433	1,652,634
Right-of-use assets	65,944	-
Investment property	3,132	3,132
Prepaid lease payments on leasehold land	67,853	69,043
Goodwill on consolidation	1,387,089	1,387,089
Other intangible assets	17,618	18,151
Investment in joint venture	20,810	18,322
Other financial assets	4,106	4,106
Finance lease receivables	14,079	-
Deferred tax assets	191,591	170,086
	3,393,655	3,322,563
 <u>Current assets</u>		
Inventories	370,981	345,368
Current tax assets	62,936	72,568
Trade receivables	371,480	355,646
Other receivables and prepaid expenses	64,868	74,359
Amounts owing by holding and other related companies	19,457	22,493
Finance lease receivables	5,936	-
Derivative financial assets	22	60
Cash and bank balances	80,737	84,238
	976,417	954,732
<b>Total assets</b>	<b>4,370,072</b>	<b>4,277,295</b>
 <b>EQUITY AND LIABILITIES</b>		
<u>Share capital and reserves</u>		
Share capital	1,950,692	1,950,692
Reserves:		
Exchange equalisation reserve	28,814	28,516
Investments revaluation reserve	2,212	2,212
Hedging reserve	(212)	(85)
Retained earnings	534,266	563,907
	2,515,772	2,545,242
Equity attributable to owners of the Company	2,515,772	2,545,242
Non-controlling interests	6,031	5,559
	2,521,803	2,550,801
<b>Total equity</b>	<b>2,521,803</b>	<b>2,550,801</b>

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

	Note	As at 31 March 2019 RM'000	As at 31 December 2018 RM'000
<u>Non-current liabilities</u>			
Borrowings	B7	99,702	279,639
Retirement benefits		55,281	54,462
Lease liabilities		59,216	-
Deferred tax liabilities		134,382	128,198
		<u>348,581</u>	<u>462,299</u>
<u>Current liabilities</u>			
Trade payables		466,899	456,540
Other payables and accrued expenses		129,599	152,524
Amounts owing to holding and other related companies		53,784	79,163
Loans from other related companies	B7	346,176	257,159
Borrowings	B7	472,679	300,635
Lease liabilities		20,549	-
Contract liabilities		3,023	14,141
Derivative financial liabilities		5,234	2,500
Current tax liabilities		1,745	1,533
		<u>1,499,688</u>	<u>1,264,195</u>
Total liabilities		<u>1,848,269</u>	<u>1,726,494</u>
<b>Total equity and liabilities</b>		<b><u>4,370,072</u></b>	<b><u>4,277,295</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>2.96</u>	<u>2.99</u>
Net tangible assets per share attributable to ordinary equity holders of the Company (RM)		<u>1.31</u>	<u>1.34</u>

*(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> December 2018 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	Exchange Equalisation Reserve	Investment Revaluation Reserve	Hedging Reserve	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
As at 1 January 2019, as previously reported	1,950,692	28,516	2,212	(85)	563,907	2,545,242	5,559	2,550,801
Effects of adoption of MFRS 16	-	-	-	-	2,430	2,430	176	2,606
As at 1 January 2019, as restated	1,950,692	28,516	2,212	(85)	566,337	2,547,672	5,735	2,553,407
Loss for the period	-	-	-	-	(32,071)	(32,071)	296	(31,775)
Other comprehensive income/(loss) for the period, net of tax	-	298	-	(127)	-	171	-	171
As at 31 March 2019	1,950,692	28,814	2,212	(212)	534,226	2,515,772	6,031	2,521,803
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 for the period	-	-	-	-	(68,732)	(68,732)	67	(68,665)
Other comprehensive income for the period, net of tax	-	2,530	-	271	-	2,801	-	2,801
Dividend to non-controlling interests	-	-	-	-	-	-	(1,348)	(1,348)
As at 31 March 2018	1,950,692	30,399	1,134	(921)	801,972	2,783,276	5,259	2,788,535

*(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> December 2018 and the accompanying explanatory notes attached to the interim financial statements)*

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

	<b>3 months Financial Period Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Cash Flows From Operating Activities</u>		
Loss before tax	(41,785)	(83,208)
Adjustments for:-		
Provision for inventory obsolescence	716	690
Amortisation of:		
- other intangible assets	533	533
- prepaid lease payments on leasehold land	1,190	1,174
Depreciation of:		
- property, plant and equipment	36,446	50,577
- right-of-use assets	5,164	-
Unrealised loss/(gain) on derivatives	2,605	(28)
Finance costs	9,959	8,162
(Reversal of loss allowance)/Loss allowance for trade receivables	(183)	1,163
Interest income	(1,014)	(1,161)
Loss on disposal of:		
- property, plant and equipment	57	194
Property, plant and equipment written off	913	165
Provision for retirement benefits	1,594	2,425
Unrealised (gain)/loss on foreign exchange	(3,119)	4,749
Share of results in joint venture	(2,625)	2,372
Operating loss before changes in working capital	10,451	(12,193)
(Increase)/Decrease in:		
Inventories	(26,329)	(37,430)
Receivables	(7,910)	(18,622)
Amounts owing by holding and other related companies	3,036	(4,317)
Increase/(Decrease) in:		
Payables	10,986	(59,200)
Amounts owing to holding and other related companies	(25,379)	(17,585)
Contract liabilities	(11,118)	(6,431)
Cash used in operations	(46,263)	(155,778)
Retirement benefits paid	(775)	(696)
Tax (refunded)/paid	4,575	(2,507)
Net cash used in operating activities	(42,463)	(158,981)

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

	<b>3 months Financial Period Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Cash Flows From Investing Activities</u>		
Additions to property, plant and equipment	(29,144)	(20,181)
Interest received	1,014	1,161
Proceeds from finance lease receivables	1,176	-
Proceeds from disposal of:		
- property, plant and equipment	99	6
	(26,855)	(19,014)
<u>Cash Flows From Financing Activities</u>		
Dividends paid to non-controlling interests	-	(1,348)
Interest paid	(10,681)	(10,856)
Loans from other related companies	92,875	-
Payments of lease liabilities	(8,222)	-
Drawdown of borrowings	-	227,000
Repayment of borrowings	(7,999)	(100,000)
	65,973	114,796
Net cash generated from financing activities		
Net Change in Cash and Cash Equivalents	(3,345)	(63,199)
Effects of currency translations	(199)	(691)
Cash and Cash Equivalents at beginning of the year	38,819	99,906
Cash and Cash Equivalents at end of the year	35,275	36,016
Cash and bank balances	80,737	36,016
Bank overdraft (Note B7)	(45,462)	-
	35,275	36,016

*(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> December 2018 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 the 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 2018. The audited financial statements of the Group for the year ended 31 December 2018 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 2018.

#### A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2018, 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 2019:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle
IC Interpretation 23	Uncertainty over Income Tax Payments

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, except as further discussed below:

##### **MFRS 16 Leases**

MFRS 16 replaces existing leases guidance in MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on balance sheet lease accounting for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating leases.

As allowed by the transitional provision of MFRS 16, the Group and the Company has elected to adopt the modified retrospective approach with no restatement of comparative and cumulative adjustments resulting from the initial application of MFRS 16 which is to be recognised in retained earnings and reserves as at 1 January 2019, as disclosed below:

## A2. Significant Accounting Policies (continued)

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

#### MFRS 16 Leases (continued)

	As previously reported RM’000	MFRS 16 adjustments RM’000	As restated RM’000
<b>1 January 2019</b>			
<b>Consolidated Statement of Financial Position</b>			
Right-of-use assets	-	71,190	71,190
Finance lease receivables	-	21,191	21,191
Other receivables and prepaid expenses	74,359	(1,706)	72,653
Lease liabilities	-	(88,069)	(88,069)
Retained earnings	(563,907)	(2,430)	(566,337)
Non-controlling interests	(5,559)	(176)	(5,735)

#### **Standards, Amendments to MFRSs and IC Interpretations in issue but not yet effective**

The Group has not adopted the following new and revised Standards, IC Interpretation and Amendments that have been issued but are not yet effective:

Amendments to MFRS 3	Definition of a Business <sup>1</sup>
Amendments to MFRS 101 and MFRS 108	Definition of Material <sup>1</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to References to the Conceptual Framework in MFRS Standards <sup>1</sup>	

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>2</sup> Effective date to be determined

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

## A3. Audit Report of Preceding Audited Financial Statements

The audit reports of the preceding annual financial statements of the Company and of the Group were not subject to any qualification.

## A4. Seasonal or Cyclical Factors

The operations of the Group are closely linked to the construction sector which would normally experience a slow-down in construction activities during the 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 issuances and repayments of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares nor resale of treasury shares during the financial period under review.

**A8. Dividend Paid**

There was no dividend payment during the financial period ended 31 March 2019.

**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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Segment revenue</b>								
External revenue	398,328	393,658	140,373	153,171	-	-	538,701	546,829
Internal revenue	59,461	71,427	2,374	1,543	(61,835)	(72,970)	-	-
	<u>457,789</u>	<u>465,085</u>	<u>142,747</u>	<u>154,714</u>	<u>(61,835)</u>	<u>(72,970)</u>	<u>538,701</u>	<u>546,829</u>
<b>Segment (loss)/profit</b>	<u>(42,374)</u>	<u>(74,021)</u>	<u>6,909</u>	<u>186</u>	<u>-</u>	<u>-</u>	<u>(35,465)</u>	<u>(73,835)</u>
Reconciliation of segment (loss)/profit to consolidated loss before tax:								
Interest income							1,014	1,161
Finance costs							(9,959)	(8,162)
Share of results in joint venture							2,625	(2,372)
Consolidated loss before tax							<u>(41,785)</u>	<u>(83,208)</u>
<b>Segment assets</b>	<u>4,005,863</u>	<u>4,092,884</u>	<u>319,990</u>	<u>335,494</u>	<u>(315,961)</u>	<u>(326,786)</u>	<u>4,009,892</u>	<u>4,101,592</u>
Reconciliation of segment assets to consolidated total assets:								
Investment in joint venture							20,810	17,348
Unallocated corporate assets							339,370	202,832
Consolidated total assets							<u>4,370,072</u>	<u>4,321,772</u>
<b>Segment liabilities</b>	<u>815,477</u>	<u>879,578</u>	<u>212,433</u>	<u>250,917</u>	<u>(313,746)</u>	<u>(329,659)</u>	<u>714,164</u>	<u>800,836</u>
Reconciliation of segment liabilities to consolidated total liabilities:								
Interest bearing instruments							997,978	611,474
Unallocated corporate liabilities							136,127	120,927
Consolidated total liabilities							<u>1,848,269</u>	<u>1,533,237</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

On 2 May 2019, YTL Cement Berhad (“YTL Cement”) entered into a sale and purchase agreement with Associated International Cement Limited (“AICL”) for the acquisition of 433,344,693 ordinary shares in Lafarge Malaysia Berhad (“LMB”), representing approximately 51.0% of the issued share capital of LMB for total cash consideration of RM1,625,042,599 or RM3.75 per LMB share (“Acquisition”).

The Acquisition was completed on 17 May 2019 and, accordingly, YTL Cement became the immediate holding company of LMB.

#### A12. Changes in Group Composition

On 28 February 2019, the following subsidiary companies have each held their Extraordinary General Meeting respectively and the shareholders of the subsidiary companies have resolved that the subsidiary companies be wound up by way of Members’ Voluntary Winding-Up, pursuant to Section 439(1)(b) of the Companies Act 2016:

Company	Date of Incorporation	Equity Effective Interest (%)	Principal Activities
ProBuilders Centre Sdn. Bhd.	24 March 2015	100.00	Retailing and distribution of cement, building materials and hardware related products
Lafarge Concrete (East Malaysia) Sdn. Bhd.	13 April 1988	93.26	Manufacture and sale of ready-mixed concrete

#### 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 2019 RM’000
In respect of capital expenditure:	
Approved and contracted for	20,212
Approved but not contracted for	62,884
	<hr/>
	83,096

## **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 1.5% to RM539 million in the current quarter from RM547 million recorded in the corresponding quarter last year. This decrease is mainly attributable to lower sales from the Cement segment caused by market conditions but compensated partially by higher export sales.

Although the revenue was lower, the Group's performance has improved with a lower loss before tax for the current quarter of RM42 million compared to the loss before tax of RM83 million for the same period last year due mainly to the improved results of the Cement segment. The better performance of the Cement segment is mainly due to the improvement in distribution cost attributed to better network route optimization, savings from headcount reduction and vigorous cost cutting measures, lower depreciation and timing of plant maintenance. The aforementioned savings were partially offset by increases in electricity prices.

### **B2. Comparison with Preceding Quarter**

	<b>1<sup>st</sup> Quarter Ended 31 March 2019 RM'000</b>	<b>4<sup>th</sup> Quarter Ended 31 December 2018 RM'000</b>
Revenue	538,701	548,158
Loss before tax	<u>(41,785)</u>	<u>(80,073)</u>

The Group's revenue in the current quarter is marginally lower than last quarter mainly due to flat sales from the Cement segment and lower sales from the Aggregates and Concrete segment.

However, the Group recorded a lower loss before tax of RM42 million compared to RM80 million in the preceding quarter. The better results are also attributed to the improved distribution cost, savings from headcount reduction and vigorous cost cutting measures, absence of the one-off restructuring costs and goodwill impairment in the Aggregates and Concrete segment that occurred in the last quarter.

### **B3. Prospects**

The revival of key infrastructure projects will help take up some of the excess capacity in the domestic market but conditions are expected to remain challenging. There is still healthy demand for clinker in the export market and the 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. The market consolidation following the acquisition by YTL Cement is expected to be positive for the cement industry.

### **B4. Profit Forecast and Profit Guarantee**

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 31 March 2019.

**B5. Income Tax Credit**

Income tax credit comprises the following:

	<b>1<sup>st</sup> Quarter Ended 31 March 2019 RM'000</b>
In respect of current year:	
- income tax	(5,247)
- deferred tax	15,244
In respect of prior year:	
- income tax	(23)
- deferred tax	36
Total tax credit	<u>10,010</u>

The Group's effective tax rate for the current quarter is close to the statutory tax rate of 24% in Malaysia.

**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 are as follows:

	<b>As at 31 March 2019 RM'000</b>	<b>As at 31 December 2018 RM'000</b>
<u>Short-term borrowings</u>		
<b>Non-secured</b>		
Borrowings from related companies	346,176	257,159
Sukuk Wakalah	180,000	-
Revolving credit and banker acceptance	247,217	255,216
Bank overdraft	45,462	45,419
	<u>818,855</u>	<u>557,794</u>
<u>Long-term borrowings</u>		
<b>Non-secured</b>		
Sukuk Wakalah (non-current)	99,702	279,639
Total Group borrowings	<u>918,557</u>	<u>837,433</u>

All borrowings are denominated in Ringgit Malaysia, except for borrowings from related companies of RM325,575,000, which are denominated in Euros.

## B8. Material Litigation

We refer to our announcement dated 17 June 2014, 20 June 2014, 15 May 2019, periodic quarterly updates on Material Litigation in respect of this Claim and the disclosure in the Annual Report 2018 under Material Litigation. Lafarge Malaysia Berhad (“LMB”) and LMCB Holding Pte Ltd (“LMCBH”) were served with a Writ of Summons in respect of a claim in the High Court of Singapore by the Comptroller of Income Tax (“Writ”) for repayment of the sum of SGD9,589,816.84. The Writ was filed in High Court of the Republic of Singapore on 2 May 2014 and served on LMB on 17 June 2014 and on LMCBH on 20 June 2014. The parties have recently finalised and executed a settlement agreement on 15 May 2019 wherein LMCBH and LMB have agreed to make a full and final settlement of SGD1,917,963.37 being 20% of the Claim by IRAS of SGD9,589,816.84 (“Settlement”), on the basis that LMCBH, LMB and the Comptroller do not make any admission or concession with respect to any fact, liability or fault in respect of the matters in Suit No. 350 of 2014 and all other related legal proceedings. The Writ and all other related legal proceedings have now been discontinued.

## B9. Dividend

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

## B10. Loss for the period

	1 <sup>st</sup> Quarter Ended		Year to Date Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b>Loss for the period is arrived after charging:</b>				
Provision for inventory obsolescence	716	690	716	690
Amortisation of:				
- other intangible assets	533	533	533	533
- prepaid lease payments	1,190	1,174	1,190	1,174
Depreciation of:				
- property, plant and equipment	36,446	50,577	36,446	50,577
- right-of-use	5,164	-	5,164	-
Derivative loss	7,211	2,398	7,211	2,398
Loss allowance for trade receivables	-	1,163	-	1,163
Loss on disposal of:				
- property, plant and equipment	57	194	57	194
Property, plant and equipment written off	913	165	913	165
Provision for retirement benefits	1,594	2,425	1,594	2,425
Unrealised loss on foreign exchange	-	4,749	-	4,749
<b>and after crediting:</b>				
Reversal of loss allowance for trade receivables	183	-	183	-
Realised gain on foreign exchange	891	1,033	891	1,033
Unrealised gain on foreign exchange	3,119	-	3,119	-

**B11. Loss per share**

Loss per share is calculated as follows:

	<b>1<sup>st</sup> Quarter Ended</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>
Loss attributable to equity holders of the Company (RM'000)	(32,071)	(68,732)
Weighted average number of ordinary shares in issue ('000)	849,695	849,695
<b>Basic and diluted loss per share (sen)</b>	<b>(3.8)</b>	<b>(8.1)</b>

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

Dated: 29 May 2019  
Petaling Jaya, Selangor Darul Ehsan.