

Quarterly rpt on consolidated results for the financial period ended 30/6/2014

TASEK CORPORATION BERHAD

| | |
|---|-----------------------|
| Financial Year End | 31/12/2014 |
| Quarter | 2 |
| Quarterly report for the financial period ended | 30/06/2014 |
| The figures | have not been audited |

Attachments

[Q2 Bursa Jun'14.pdf](#)

69 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION

30/06/2014

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|-------------------------------------|--------------------------------------|---|-------------------------------------|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | 30/06/2014 \$\$'000 | 30/06/2013 \$\$'000 | 30/06/2014 \$\$'000 | 30/06/2013 \$\$'000 |
| 1Revenue | 171,502 | 141,996 | 334,414 | 278,089 |
| 2Profit/(loss) before tax | 40,553 | 27,829 | 72,799 | 56,021 |
| 3Profit/(loss) for the period | 31,097 | 21,822 | 56,016 | 43,526 |
| 4Profit/(loss) attributable to ordinary equity holders of the parent | 31,097 | 21,822 | 56,016 | 43,526 |
| 5Basic earnings/(loss) per share (Subunit) | 25.60 | 17.96 | 46.10 | 35.82 |
| 6Proposed/Declared dividend per share (Subunit) | 40.00 | 32.00 | 40.00 | 32.00 |
| | AS AT END OF CURRENT QUARTER | | AS AT PRECEDING FINANCIAL YEAR END | |
| 7Net assets per share attributable to ordinary equity holders of the | | 6.8220 | | 7.2523 |

parent (\$\$)**Definition of Subunit:**

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.

Example for the subunit as follows:

| Country | Base Unit | Subunit |
|----------------|------------------|----------------|
| Malaysia | Ringgit | Sen |
| United States | Dollar | Cent |
| United Kingdom | Pound | Pence |

Announcement Info

| | |
|----------------|--------------------------|
| Company Name | TASEK CORPORATION BERHAD |
| Stock Name | TASEK |
| Date Announced | 5 Aug 2014 |
| Category | Financial Results |
| Reference No | TT-140804-31984 |

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

TASEK CORPORATION BERHAD
(Company No: 4698-W)
(Incorporated in Malaysia)

Summary of Key Financial Information for the second financial quarter ended 30.6.2014

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|---|---|
| | CURRENT YEAR QUARTER 30/06/2014 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30/06/2013 RM'000 | CURRENT YEAR TODATE 30/06/2014 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30/06/2013 RM'000 |
| 1 Revenue | 171,502 | 141,996 | 334,414 | 278,089 |
| 2 Profit/(Loss) before tax | 40,553 | 27,829 | 72,799 | 56,021 |
| 3 Profit/(Loss) for the period | 31,097 | 21,822 | 56,016 | 43,526 |
| 4 Profit/(Loss) attributable to ordinary equity holders of the parents | 31,097 | 21,822 | 56,016 | 43,526 |
| 5 Basic earnings/(loss) per share (sen) | 25.60 | 17.96 | 46.10 | 35.82 |
| 6 Proposed/Declared dividend per share (sen) | 40 sen | 32 sen | 40 sen | 32 sen |
| | AS AT END OF CURRENT QUARTER | | AS AT PRECEDING FINANCIAL YEAR END | |
| 7 Net assets per share attributable to ordinary equity holders of the parent (RM) | | 6.8220 | | 7.2523 |

Part A3 : ADDITIONAL INFORMATION

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--------------------------|--|--|---|---|
| | CURRENT YEAR QUARTER 30/06/2014 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30/06/2013 RM'000 | CURRENT YEAR TODATE 30/06/2014 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30/06/2013 RM'000 |
| 1 Gross interest income | 3,429 | 3,584 | 6,807 | 7,298 |
| 2 Gross interest expense | 97 | 34 | 179 | 63 |

TASEK CORPORATION BERHAD
(Company No: 4698-W)
(Incorporated in Malaysia)
and its subsidiaries

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Current quarter 3 months ended 30 June | | Cumulative quarter 6 months ended 30 June | |
|--|------|--|----------------|---|----------------|
| | | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Revenue | | 171,502 | 141,996 | 334,414 | 278,089 |
| Cost of sales | | (108,850) | (96,235) | (217,002) | (186,523) |
| Gross Profit | | 62,652 | 45,761 | 117,412 | 91,566 |
| Other income | | 1,864 | 625 | 2,221 | 888 |
| Selling and Distribution Expenses | | (24,909) | (20,603) | (48,828) | (40,159) |
| Administrative Expenses | | (5,626) | (5,398) | (11,492) | (10,643) |
| Operating profit | | 33,981 | 20,385 | 59,313 | 41,652 |
| Finance income | 8 | 3,429 | 3,584 | 6,807 | 7,298 |
| Finance costs | 8 | (97) | (34) | (179) | (63) |
| Net finance income | | 3,332 | 3,550 | 6,628 | 7,235 |
| | | 37,313 | 23,935 | 65,941 | 48,887 |
| Share of profit of associates, net of tax | | 3,240 | 3,894 | 6,858 | 7,134 |
| Share of (loss)/profit equity accounted in joint venture, net of tax | | - | - | - | - |
| | | 3,240 | 3,894 | 6,858 | 7,134 |
| Profit before tax | 8 | 40,553 | 27,829 | 72,799 | 56,021 |
| Income tax expense | 9 | (9,456) | (6,007) | (16,783) | (12,495) |
| Profit net of tax, representing total comprehensive income for the period | | 31,097 | 21,822 | 56,016 | 43,526 |
| Profit and total comprehensive income for the period attributable to : | | | | | |
| Equity holders of the Company | | 31,097 | 21,822 | 56,016 | 43,526 |
| Earnings per share attributable to owners of the parent (sen per share): | | | | | |
| - Basic and diluted | 10 | 25.60 | 17.96 | 46.10 | 35.82 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

TASEK CORPORATION BERHAD
(Company No: 4698-W)
(Incorporated in Malaysia)
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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT 30 JUNE 2014 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 30 June 2014 | 31 December 2013 |
|---|------|-----------------------|-------------------------|
| | | RM'000 | RM'000 |
| | Note | | (Audited) |
| Assets | | | |
| Non - current assets | | | |
| Property, plant and equipment | 11 | 310,162 | 319,251 |
| Intangible assets | 12 | 1,131 | 1,156 |
| Prepaid lease payments | | 15 | 17 |
| Investment in associates | | 106,315 | 105,457 |
| Investment in a joint venture (*) | | - | - |
| Other receivables | | 2,484 | 2,879 |
| Total non - current assets | | <u>420,107</u> | <u>428,760</u> |
| Current assets | | | |
| Inventories | 13 | 105,202 | 106,871 |
| Trade and other receivables | | 79,918 | 79,653 |
| Cash and cash equivalents | 14 | 369,168 | 400,458 |
| Tax recoverable | | 294 | - |
| Total current assets | | <u>554,582</u> | <u>586,982</u> |
| Total assets | | <u><u>974,689</u></u> | <u><u>1,015,742</u></u> |
| Equity attributable to equity holders of the Company | | | |
| Share Capital | 15 | 123,956 | 123,956 |
| Reserves | 15 | 721,670 | 775,004 |
| Total equity | | <u>845,626</u> | <u>898,960</u> |
| Liabilities | | | |
| Non - current liabilities | | | |
| Provision | 16 | 608 | 534 |
| Deferred tax liabilities | | 30,997 | 32,443 |
| Total non - current liabilities | | <u>31,605</u> | <u>32,977</u> |
| Current liabilities | | | |
| Provision | 16 | 650 | 698 |
| Income tax payable | | 7,735 | 2,639 |
| Loans and borrowings | 17 | 8,259 | 6,024 |
| Trade and other payables | | 80,814 | 74,444 |
| Total current liabilities | | <u>97,458</u> | <u>83,805</u> |
| Total liabilities | | <u>129,063</u> | <u>116,782</u> |
| Total equity and liabilities | | <u><u>974,689</u></u> | <u><u>1,015,742</u></u> |
| Net Assets per Share (RM) | | <u>6.82</u> | <u>7.25</u> |
| Net Tangible Assets per Share (RM) | | <u>6.81</u> | <u>7.24</u> |

(*) - RM150.00 - negligible

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

TASEK CORPORATION BERHAD
(Company No: 4698-W)
(Incorporated in Malaysia)
and its subsidiaries

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to equity holders of the Company | | | | | | Total RM'000 |
|---|---|----------------------------|--|------------------------------|------------------------------|-------------------------------|-----------------|
| | Non - distributable | | | | Distributable | | |
| | Share capital RM'000 | Share Premium RM'000 | Capital Redemption Reserve RM'000 | Treasury Shares RM'000 | General Reserve RM'000 | Retained Profits RM'000 | |
| At 1 January 2013 | 123,956 | 133,946 | 398 | (20,633) | 115,347 | 599,761 | 952,775 |
| Net profit for the period | - | - | - | - | - | 43,526 | 43,526 |
| Final & Special dividend totalling 80 sen per share | - | - | - | - | - | (82,093) | (82,093) |
| At 30 June 2013 | 123,956 | 133,946 | 398 | (20,633) | 115,347 | 561,194 | 914,208 |
| At 1 January 2014 | 123,956 | 133,946 | 398 | (20,633) | 115,347 | 545,946 | 898,960 |
| Net profit for the period | - | - | - | - | - | 56,016 | 56,016 |
| Final & Special dividend totalling 90 sen per share | - | - | - | - | - | (109,350) | (109,350) |
| At 30 June 2014 | 123,956 | 133,946 | 398 | (20,633) | 115,347 | 492,612 | 845,626 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

TASEK CORPORATION BERHAD
(Company No: 4698-W)
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and its subsidiaries

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 6 Months ended | |
|---|----------------|--------------|
| | 30 June 2014 | 30 June 2013 |
| | RM'000 | RM'000 |
| Operating activities | | |
| Profit before taxation | 72,799 | 56,021 |
| Adjustments for: | | |
| Non-cash items | | |
| Amortisation of prepaid lease payments | 2 | 2 |
| Amortisation of intangible assets | 138 | 145 |
| Depreciation of property, plant and equipment | 22,237 | 21,637 |
| Finance income | (6,807) | (7,298) |
| Finance cost | 179 | 63 |
| Inventories written off | 525 | - |
| Property, plant and equipment written off | 92 | 42 |
| Net gain on disposal of property, plant and equipment | (179) | (532) |
| Reversal of provision for restoration costs | (65) | - |
| Share of results of associates | (6,858) | (7,134) |
| Waiver of advances in joint venture | 100 | - |
| | 9,364 | 6,925 |
| Operating cash flows before changes in working capital | 82,163 | 62,946 |
| <u>Changes in working capital:</u> | | |
| Change in inventories | 1,144 | (5,803) |
| Change in trade and other receivables | 30 | (20,764) |
| Change in trade and other payables | 6,461 | 3,979 |
| Total changes in working capital | 7,635 | (22,588) |
| Interest received | 6,807 | 7,298 |
| Interest paid | (179) | (63) |
| Income taxes paid | (13,427) | (15,932) |
| | (6,799) | (8,697) |
| Net cash flows from operating activities | 82,999 | 31,661 |
| Investing activities | | |
| Purchase of property, plant and equipment | (13,316) | (20,428) |
| Net proceeds from disposal of property, plant and equipment | 255 | 942 |
| Dividend income | 6,000 | 3,780 |
| Purchase of intangible assets | (113) | (56) |
| Net cash flows used in investing activities | (7,174) | (15,762) |
| Financing activities | | |
| Dividends Paid | (109,350) | (82,093) |
| Net proceeds/(repayment) from borrowings | 2,235 | (295) |
| Net cash flows used in financing activities | (107,115) | (82,388) |
| Net (decrease) in cash and cash equivalents | (31,290) | (66,489) |
| Cash & cash equivalents at 1 January | 400,458 | 465,577 |
| Cash & cash equivalents at 30 June | 369,168 | 399,088 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the with the accompanying explanatory notes attached to these interim financial statements.

TASEK CORPORATION BERHAD
(Company No: 4698-W)
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and its subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

1. Corporate information

Tasek Corporation Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements were approved by the Board of Directors on 5 August 2014.

2. Accounting policies and methods of computation

These condensed consolidated interim financial statements, for the period ended 30 June 2014, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2013, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The consolidated financial statements of the Group for the year ended 31 December 2013 which were prepared under MFRS and IFRS are available upon request from the Company's registered office at 6th Floor, Office Block, Grand Millennium Kuala Lumpur, 160 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia.

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013.

3. Changes in accounting policy

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2014, the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after the dates stated below:

| Description | Effective for annual financial periods beginning on or after |
|--|---|
| Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities | 1 January 2014 |
| Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial assets | 1 January 2014 |
| Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting | 1 January 2014 |
| IC Interpretation 21: Levies | 1 January 2014 |
| Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions | 1 July 2014 |
| Annual Improvements to MFRSs 2010 - 2012 Cycle | 1 July 2014 |
| Annual Improvements to MFRSs 2011 - 2013 Cycle | 1 July 2014 |

The adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

4. Changes in estimates of amount reported previously with material effect in current interim period.

There were no estimations of amount used in our previous reporting having a material impact in the current reporting period.

TASEK CORPORATION BERHAD
(Company No: 4698-W)
(Incorporated in Malaysia)
and its subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

5. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 June 2014.

6. Segmental information

The segment information provided to the chief operating decision maker for the current financial period to date is as follows:

| | Cement | Ready-mixed Concrete | All other segments | Adjustment and Elimination | Total |
|---------------------------------|----------|-------------------------|-----------------------|-------------------------------|----------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 30.6.2014 | | | | | |
| Segment revenue | 282,367 | 85,236 | 2,599 | - | 370,202 |
| Inter-segment revenue | (33,189) | - | (2,599) | - | (35,788) |
| Revenue from external customers | 249,178 | 85,236 | - | - | 334,414 |
| Segment profit/(loss) | 65,764 | (54) | (206) | (6,191) | 59,313 |
| Inter-segment elimination | (102) | 102 | - | - | - |
| | 65,662 | 48 | (206) | (6,191) | 59,313 |
| Segment profit/(loss) | 65,764 | (54) | (206) | (6,191) | 59,313 |
| Finance income | 6,754 | 110 | 5 | (62) | 6,807 |
| Finance cost | - | (241) | - | 62 | (179) |
| Share of profit from associates | - | - | - | 6,858 | 6,858 |
| Profit/(loss) before tax | 72,518 | (185) | (201) | 667 | 72,799 |
| | | | | | |
| | Cement | Ready-mixed Concrete | All other segments | Adjustment and Elimination | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 30.6.2013 | | | | | |
| Segment revenue | 231,032 | 84,382 | 2,727 | - | 318,141 |
| Inter-segment revenue | (37,325) | - | (2,727) | - | (40,052) |
| Revenue from external customers | 193,707 | 84,382 | - | - | 278,089 |
| Segment profit/(loss) | 45,177 | 425 | (128) | (3,822) | 41,652 |
| Inter-segment elimination | (110) | 110 | - | - | - |
| | 45,067 | 535 | (128) | (3,822) | 41,652 |
| Segment profit/(loss) | 45,177 | 425 | (128) | (3,822) | 41,652 |
| Finance income | 7,359 | 17 | 6 | (84) | 7,298 |
| Finance cost | - | (147) | - | 84 | (63) |
| Share of profit of associates | - | - | - | 7,134 | 7,134 |
| Profit/(loss) before tax | 52,536 | 295 | (122) | 3,312 | 56,021 |

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

| | 30.6.2014 | 30.6.2013 |
|------------------|----------------|----------------|
| | RM'000 | RM'000 |
| Malaysia | 320,423 | 255,278 |
| Outside Malaysia | 13,991 | 22,811 |
| | <u>334,414</u> | <u>278,089</u> |

The commentary on the performance of each of the business activity and the factors that have resulted in the revenue or profits improving or declining as compared with the corresponding periods of last quarter and year is discussed in Note 22.

7. Seasonal or cyclical factors

The operations of the Group generally follow the performance of the property development, infrastructure and construction industry.

8. Profit before tax

Included in the profit before tax are the following items:

| | | Current quarter 3 months ended | | Cumulative quarter 6 months ended | |
|---|------|-----------------------------------|-----------------|--------------------------------------|-----------------|
| | Note | 30 June 2014 | 30 June 2013 | 30 June 2014 | 30 June 2013 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before tax is arrived at after charging/(crediting): | | | | | |
| Amortisation of prepaid lease payments | | 1 | 1 | 2 | 2 |
| Amortisation of intangible assets | 12 | 71 | 73 | 138 | 145 |
| Depreciation of property, plant and equipment | 11 | 11,157 | 10,916 | 22,237 | 21,637 |
| Waiver of advances in joint venture | | 100 | - | 100 | - |
| Finance income | | (3,429) | (3,584) | (6,807) | (7,298) |
| Finance cost | | 97 | 34 | 179 | 63 |
| Net Gain on disposal of property, plant and equipment | | (159) | (386) | (179) | (532) |
| Inventory written off | | 525 | - | 525 | - |
| Property, plant and equipment written off | 11 | 91 | 7 | 92 | 42 |
| (Gain)/Loss on foreign exchange - realised | | (2) | 10 | (67) | (12) |
| Rental income | | (143) | (147) | (308) | (323) |

9. Income tax expense

| | | Current quarter 3 months ended | | Cumulative quarter 6 months ended | |
|---------------------------|---|-----------------------------------|-----------------|--------------------------------------|-----------------|
| | | 30 June 2014 | 30 June 2013 | 30 June 2014 | 30 June 2013 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Current Income tax</u> | | | | | |
| Malaysia | - Current year | (10,582) | (6,795) | (18,225) | (13,372) |
| | - Prior year | (4) | (12) | (4) | (12) |
| | | <u>(10,586)</u> | <u>(6,807)</u> | <u>(18,229)</u> | <u>(13,384)</u> |
| <u>Deferred tax</u> | | | | | |
| | Origination and reversal of temporary differences | 1,130 | 800 | 1,446 | 889 |
| | Under provision in respect of prior years | - | - | - | - |
| | | <u>(9,456)</u> | <u>(6,007)</u> | <u>(16,783)</u> | <u>(12,495)</u> |

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

10. Earnings per share

| | Current quarter 3 months ended | | Cumulative quarter 6 months ended | |
|--|-----------------------------------|-----------------|--------------------------------------|-----------------|
| | 30 June 2014 | 30 June 2013 | 30 June 2014 | 30 June 2013 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>(I) Basic earnings per share</u> | | | | |
| Profit net of tax attributable to owners of the parent | 31,097 | 21,822 | 56,016 | 43,526 |
| Less : 6% Preference Dividend | - | - | (20) | (20) |
| Proportion of profit attributable to preference shareholders | (84) | (59) | (151) | (118) |
| <hr/> | | | | |
| Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share | 31,013 | 21,763 | 55,845 | 43,388 |
| <hr/> | | | | |
| Weighted average number of ordinary shares: | | | | |
| Issued ordinary shares at 1 January ('000) | 121,143 | 121,143 | 121,143 | 121,143 |
| Effect of purchase of treasury shares ('000) | - | - | - | - |
| Weighted average number of ordinary shares at 30 June | 121,143 | 121,143 | 121,143 | 121,143 |
| <hr/> | | | | |
| Basic earnings per share (sen) for Profit from continuing operations | 25.60 | 17.96 | 46.10 | 35.82 |

(II) Diluted earnings per share

There is no dilutive effects on earning per share as the Company has no potential issue of ordinary shares.

11. Property, plant and equipment

| | Note | 30 June | 31 December |
|----------------------------------|----------|----------|-------------|
| | | 2014 | 2013 |
| | | RM'000 | RM'000 |
| Net carrying amount: | | | |
| Balance at the beginning of year | | 319,251 | 334,481 |
| Additions | | 13,316 | 33,089 |
| Disposals | | (76) | (3,618) |
| Less: Depreciation | 8 | (22,237) | (44,234) |
| Less: Written off | 8 | (92) | (467) |
| Balance at end of period/year | | 310,162 | 319,251 |

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

12. Intangible assets

| | Note | Computer software RM'000 | Goodwill RM'000 | Total RM'000 |
|---|------|--------------------------------|--------------------|-----------------|
| Cost: | | | | |
| At 31 December 2013 and 1 January 2014 | | 3,647 | 389 | 4,036 |
| Additions | | 113 | - | 113 |
| At 30 June 2014 | | <u>3,760</u> | <u>389</u> | <u>4,149</u> |
| Accumulated amortisation and impairment: | | | | |
| At 31 December 2013 and 1 January 2014 | | 2,880 | - | 2,880 |
| Amortisation | 8 | 138 | - | 138 |
| At 30 June 2014 | | <u>3,018</u> | <u>-</u> | <u>3,018</u> |
| Net carrying amount: | | | | |
| At 31 December 2013 | | <u>767</u> | <u>389</u> | <u>1,156</u> |
| At 30 June 2014 | | <u>742</u> | <u>389</u> | <u>1,131</u> |

The recoverable amount of the investment in subsidiary and goodwill was determined by discounting the future cash flows projected based on actual operating results and management's assessment of future trends in the ready-mixed concrete industry. No impairment loss is recognised during the period as the recoverable amount is higher than the carrying amount.

13. Inventories

During the six months ended 30 June 2014, the Group recognised a write-down of inventory spares of RM525,000 (2013: Nil) related to obsolete machinery parts and jumbo cement bags. The write-down is included in cost of sales.

14. Cash and cash equivalents

| | 30 June 2014 RM'000 | 31 December 2013 RM'000 |
|---------------------------------|---------------------------|-------------------------------|
| Cash at bank and in hand | 17,918 | 17,417 |
| Short term deposits | 351,250 | 383,041 |
| Total cash and cash equivalents | <u>369,168</u> | <u>400,458</u> |

15. Changes in Debt and Equity Securities

There were no issuance and repayment of any debt or equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period to date.

TASEK CORPORATION BERHAD
(Company No: 4698-W)
(Incorporated in Malaysia)
and its subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

16. Provision

| | 30 June 2014 | 31 December 2013 |
|---|-----------------|---------------------|
| | RM'000 | RM'000 |
| Balance at the beginning of year | 1,232 | 1,272 |
| Arose during the period and year | 53 | 305 |
| Unwinding of discount | 38 | 26 |
| Reversal of provision | (65) | (371) |
| Balance at end of period/year | <u>1,258</u> | <u>1,232</u> |
| At 30 June | | |
| Current | <u>650</u> | <u>698</u> |
| Non-current: | | |
| Later than 1 year but not later than 2 years | 608 | 534 |
| Later than 2 years but not later than 5 years | - | - |
| | <u>608</u> | <u>534</u> |
| | <u>1,258</u> | <u>1,232</u> |

Provision for restoration costs

A provision is recognised for restoration cost associated with its subsidiary, Tasek Concrete Sdn Bhd's obligations to restore the lands at the end of the tenancy period. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within three years from the reporting date. Assumptions used to calculate the expected cost to dismantle and remove the batching plants from the site and the cost of restoring the land to its original state were based on management's best estimates.

17. Group borrowings and debts securities

Total Group's short term borrowing (denominated in local currency) is as follows:

| | 30 June 2014 | 31 December 2013 |
|----------------------------------|-----------------|---------------------|
| | RM'000 | RM'000 |
| Bankers' Acceptances (unsecured) | <u>8,259</u> | <u>6,024</u> |

18. Dividends

Since the end of the previous financial year, on 28 May 2014, the Company paid a final dividend totalling RM109.029 million comprising single-tier final dividend of 30 sen and single-tier special dividend of 60 sen per share on the ordinary shares; and single-tier dividends totalling RM321,600 comprising preference dividend of 6 sen per share, single-tier final dividend of 30 sen per share and single-tier special dividend of 60 sen per share on the 6% Cumulative Participating Preference Shares in respect of the financial year ended 31 December 2013.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

19. Commitments

The outstanding commitments in respect of capital expenditure at reporting date not provided for in the financial statements are as follows:

| | 30 June 2014 | 30 June 2013 |
|--|-----------------|-----------------|
| | RM'000 | RM'000 |
| <u>Property, plant & equipment</u> | | |
| - Approved and contracted for | 16,017 | 12,219 |
| - Approved but not contracted for | 8,767 | 5,880 |
| | <u>24,784</u> | <u>18,099</u> |

20. Contingencies

There were no changes or any major contingent liabilities or assets arising at the date of issuance of this report except for the financial support provided by the Company's subsidiary to North Plaza Sdn Bhd (NPSB), a joint venture company, has been rescinded as the undertaking of the business and objective of NPSB under the joint venture have not materialised.

21. Events after the reporting period

There were no material events subsequent to the end of the period reported up to the date of issuance of this report.

22. Review of performance

(a) Current Quarter vs. Corresponding Quarter of Previous Year

The Group's total net revenue of RM172 million for the current quarter is RM30 million higher than the previous year's corresponding quarter mainly due to increase in the demand for cement in the domestic market. As a result, the Group's profit after tax for the current quarter increased to RM31.1 million compared with the previous year's corresponding quarter of RM21.8 million. However, the profit after tax for the current quarter was partially affected by lower share of profit from the Group's associated company and lower interest income during the current quarter.

The cement segment achieved higher operating profit of RM32.1 million compared with RM19.1 million of the previous year's corresponding quarter mainly due to higher sales revenue from the increase in demand for cement in the domestic market and better pricing.

The concrete segment recorded an operating loss of RM7,000 in the current quarter compared with a profit of RM761,000 in the corresponding quarter of previous year mainly due to lower sales revenue arising from the reduction in concrete sales volume, which was partly off-set by higher average selling price. Sales volume was adversely affected by the closure of the Subang site plant end of August last year while the segment's profitability was also affected by the rising costs of production relating to higher costs of aggregate and sand materials during the current quarter compared with the corresponding quarter of previous year.

The Group's interest income of RM3.4 million for the current quarter was RM155,000 lower compared to the corresponding quarter of previous year mainly due to lower amount placed on time deposits.

Share of profit from the Group's associated companies during the current quarter decreased to RM3.2 million from previous year's corresponding quarter of RM3.9 million mainly due to higher costs of sales arising from higher imported bulk cement and lower production from own plant.

(b) Current Period To Date vs. Corresponding Period To Date of Previous Year

The Group's total net revenue of RM334 million for the current period to date was RM56 million higher than the previous year's corresponding period mainly due to the strong demand for cement in the domestic market and improved pricing. As a result, the Group's profit after tax for the current period grew by RM12.5 million or 28.7% to RM56 million from last year's corresponding period of RM43.5 million. The weak performance from concrete segment and lower share of profit from the Group's associated companies have partially affected the Group's results for the current period to date.

The cement segment's operating profit of RM57.3 million, was RM16.8 million or 41.5% higher than the previous year's corresponding period mainly supported by the strong demand for cement in the domestic market and improved pricing. However, the segment's results was partly affected by higher cost of production arising from higher electricity tariff, transportation cost and higher repair and maintenance cost from the plant's scheduled maintenance in the first quarter.

TASEK CORPORATION BERHAD
(Company No: 4698-W)
(Incorporated in Malaysia)
and its subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

The concrete segment on the other hand recorded an operating loss of RM89,000 in the current period to date compared to a profit of RM253,000 in the previous year's corresponding period mainly due to lower sales volume and higher plant overhead costs, including higher raw materials and cartage costs during the current period.

The Group's interest income of RM6.8 million for the current period was RM491,000 lower compared to the corresponding period of the previous year mainly due to lower amount placed on time deposits.

Share of profit from the Group's associated companies during the current period declined to RM6.8 million from previous year's corresponding period of RM7.1 million mainly due to higher production cost in the second quarter.

23. Material change in the profit before tax for the current financial quarter compared with the immediate preceding quarter

| | Current quarter 30 June 2014 RM'000 | Immediate preceding quarter 31 March 2014 RM'000 |
|--------------------------------|---|---|
| Revenue | 171,502 | 162,912 |
| Net profit before tax | 37,313 | 28,628 |
| Share of profit of associates | 3,240 | 3,618 |
| Consolidated Profit before Tax | 40,553 | 32,246 |

The Group's profit before tax for the current financial quarter increased to RM40.6 million compared with RM32.2 million of the immediate preceding quarter mainly due to the high demand for cement in the domestic market and lower costs of production during the current financial quarter.

The concrete segment on the other hand registered an improvement in performance with a lower operating loss of RM7,000 compared with an operating loss of RM82,000 in the immediate preceding quarter mainly brought about by the 32.6% growth in concrete sales volume at better pricing in spite of the higher cost of raw materials during the current financial quarter.

Lower share of profit from the Group's associated companies during the current financial quarter compared with the immediate preceding quarter was mainly due to higher cost of production.

24. Commentary on prospects

The outlook for the construction sector for the third quarter of 2014 is expected to remain positive. The ongoing government's projects under its Economic Transformation Programme such as the MRT projects and LRT line extension are expected to continue to lead the construction sector's growth in the remaining months of 2014. Hence, the Group is expected to continue to maintain its positive performance for the third quarter of 2014.

25. Profit forecast or profit guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter and the financial period to date.

26. Corporate proposals

There were no announcement of any corporate proposal during the current quarter and the financial period to date.

27. Material litigation

There were no pending material litigation at the date of issuance of this report.

TASEK CORPORATION BERHAD
(Company No: 4698-W)
(Incorporated in Malaysia)
and its subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

28. Dividends

A single-tier interim ordinary dividend of 40 sen per share (2013: 32 sen per share less income tax of 25%) and a single-tier interim ordinary dividend of 40 sen per share (2013: 32 sen per share) on the 6% Cumulative Participating Preference Shares has been declared and will be payable on 9 September 2014 to shareholders whose names appear in the Record of Depositors at the close of business on 20 August 2014.

Total interim dividend per share:

| | | 2014 | 2013 |
|------------|---|-----------------|-----------------|
| Ordinary | (single-tier, 2013: less income tax of 25%) | <u>40.0 sen</u> | <u>32.0 sen</u> |
| Preference | (single-tier) | <u>40.0 sen</u> | <u>32.0 sen</u> |

A Depositor shall qualify for entitlement only in respect of:

- (a) shares transferred into the Depositor's securities account before 4.00 p.m. on 20 August 2014 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

29. Derivative financial instruments

There were no outstanding forward foreign currency exchange contracts during the current quarter ended.

30. Gains/Losses arising from fair value changes of financial liabilities

There were no gain/loss on fair value changes of financial liabilities for the current quarter ended.

31. Sales of unquoted investments and properties.

There were no sale of unquoted investments and properties during the current financial quarter and the financial period to date.

32. Purchases and sales of quoted securities

There were no purchases and/or sales of quoted securities for the current quarter and the financial period to date.

TASEK CORPORATION BERHAD
(Company No: 4698-W)
(Incorporated in Malaysia)
and its subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 - UNAUDITED

33. Realised and Unrealised Profit or (Losses) Disclosure

The breakdown of the retained profits of the Group as at 30 June 2014 and 31 December 2013 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

| | As at 30 June 2014 | As at 31 December 2013 |
|---|--------------------------|------------------------------|
| | RM'000 | RM'000 |
| Total retained profits of the Group : | | |
| - Realised | 436,301 | 491,808 |
| - Unrealised | (30,997) | (32,443) |
| | <u>405,304</u> | <u>459,365</u> |
| Total share of realised retained profits from associate and jointly controlled entity | | |
| - Realised | 88,614 | 88,229 |
| - Unrealised | (2,691) | (3,165) |
| | <u>491,227</u> | <u>544,429</u> |
| Add: consolidation adjustments | 1,385 | 1,517 |
| Retained profits as per consolidated accounts | <u><u>492,612</u></u> | <u><u>545,946</u></u> |

34. Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Inputs that are based on observable market data, either directly or indirectly
- Level 3 Inputs that are not based on observable market data

As at the reporting date, the Group does not have any financial assets and liabilities carried at fair value classified as above.

35. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2013 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN
COMPANY SECRETARY

5 AUGUST 2014
KUALA LUMPUR, MALAYSIA