

GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY TASEK CORPORATION BERHAD ("TASEK")

Issuer & Securities

Issuer/ Manager

HONG LEONG ASIA LTD.

Securities

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Announcement Details

Announcement Title

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Announcement Sub Title

Announcement by Tasek Corporation Berhad ("Tasek")

Announcement Reference

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Submitted By (Co./ Ind. Name)

Ng Siew Ping, Jaslin

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Attached announcement in respect of the unaudited second quarter financial results for the period ended 30 June 2019 released today by Tasek, a subsidiary of the Company, to Bursa Malaysia Securities Berhad.

Attachments

[Financial%20Results_2nd%20Quarter%20FYE2019.pdf](#)

Total size =558K MB

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2019

TASEK CORPORATION BERHAD

Financial Year End 31 Dec 2019
 Quarter 2 Qtr
 Quarterly report for the financial period ended 30 Jun 2019
 The figures have not been audited

Attachments

[Bursa 2Qtr2019 \(announcement\).pdf](#)
 530.1 kB

Default Currency Other Currency Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2019

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	127,682	133,574	264,946	269,903
2 Profit/(loss) before tax	-6,555	-4,581	-16,497	-8,581
3 Profit/(loss) for the period	-7,191	-4,652	-17,611	-9,080
4 Profit/(loss) attributable to ordinary equity holders of the parent	-7,191	-4,652	-17,611	-9,080
5 Basic earnings/(loss) per share (Subunit)	-5.94	-3.84	-14.55	-7.51
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	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 (\$\$)	4.3237		4.3987	

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 06 Aug 2019

Category Financial Results

Reference Number FRA-01082019-00003

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 2019 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue		127,682	133,574	264,946	269,903
Cost of sales		(106,654)	(109,282)	(221,767)	(220,854)
Gross profit		21,028	24,292	43,179	49,049
Other (expense)/income		1,736	890	2,520	3,116
Selling and Distribution Expenses		(24,634)	(26,117)	(52,538)	(53,636)
Administrative Expenses		(5,759)	(5,908)	(11,268)	(11,748)
Operating loss		(7,629)	(6,843)	(18,107)	(13,219)
Finance income	8	552	896	1,048	1,930
Finance cost	8	(341)	(101)	(619)	(199)
Net finance income		211	795	429	1,731
		(7,418)	(6,048)	(17,678)	(11,488)
Share of results of associates, net of tax		863	1,467	1,181	2,907
Loss before tax	8	(6,555)	(4,581)	(16,497)	(8,581)
Income tax expense	9	(636)	(71)	(1,114)	(499)
Loss net of tax for the quarter/period ended		(7,191)	(4,652)	(17,611)	(9,080)
Other comprehensive income:					
<u>Items that will not be reclassified subsequently to profit and loss:</u>					
Net fair value changes in quoted investments at fair value through Other Comprehensive Income	32	5,377	(2,888)	8,549	(5,870)
Total comprehensive loss for the quarter/period ended		(1,814)	(7,540)	(9,062)	(14,950)

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)
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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - UNAUDITED**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Loss attributable to :					
Equity holders of the Company		<u>(7,191)</u>	<u>(4,652)</u>	<u>(17,611)</u>	<u>(9,080)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>(1,814)</u>	<u>(7,540)</u>	<u>(9,062)</u>	<u>(14,950)</u>
Loss per share attributable to equity holders of the Company (sen per share):					
- Basic and diluted	10	<u>(5.94)</u>	<u>(3.84)</u>	<u>(14.55)</u>	<u>(7.51)</u>

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)
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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT 30 JUNE 2019 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2019	31 December 2018
	RM'000	RM'000
Note		(Audited)
Assets		
Non - current assets		
Property, plant and equipment	227,014	243,536
Intangible assets	1,848	1,114
Investment in associates	67,742	75,561
Investment in equity investment	17,380	4,165
Right-of-use assets	21,859	-
Other receivables	188	329
Total non - current assets	<u>336,031</u>	<u>324,705</u>
Current assets		
Inventories	124,561	130,335
Trade and other receivables	123,943	108,541
Tax recoverable	8,938	12,110
Cash and bank balances	68,069	60,534
Total current assets	<u>325,511</u>	<u>311,520</u>
Total assets	<u><u>661,542</u></u>	<u><u>636,225</u></u>
Equity attributable to equity holders of the Company		
Share Capital	258,300	258,300
Reserves	265,487	274,569
Total equity	<u>523,787</u>	<u>532,869</u>
Liabilities		
Non - current liabilities		
Provisions	1,796	1,763
Deferred tax liabilities	10,036	10,036
Lease liabilities	5,313	-
Total non - current liabilities	<u>17,145</u>	<u>11,799</u>
Current liabilities		
Provisions	575	575
Loans and borrowings	20,831	11,366
Trade and other payables	97,602	79,616
Lease liabilities	1,602	-
Total current liabilities	<u>120,610</u>	<u>91,557</u>
Total liabilities	<u>137,755</u>	<u>103,356</u>
Total equity and liabilities	<u><u>661,542</u></u>	<u><u>636,225</u></u>
Net Assets per Share (RM)	<u>4.32</u>	<u>4.40</u>
Net Tangible Assets per Share (RM)	<u>4.31</u>	<u>4.39</u>

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)
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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					
	Non - distributable			Distributable		Total RM'000
	Share Capital RM'000	Fair Value Adjustment Reserve RM'000	Treasury Shares RM'000	General Reserve RM'000	Retained Profits RM'000	
At 1 January 2019	258,300	(8,739)	(20,633)	115,347	188,594	
Total comprehensive income	-	8,549	-	-	(17,611)	(9,062)
Preference dividend of 6 sen per share in respect of the financial year ended 31 December 2018	-	-	-	-	(20)	(20)
At 30 June 2019	258,300	(190)	(20,633)	115,347	170,963	523,787
At 1 January 2018	258,300	99	(20,633)	115,347	234,712	587,825
Total comprehensive income	-	(5,870)	-	-	(9,080)	(14,950)
Final dividend totalling 20 sen per share in respect of the financial year ended 31 December 2017	-	-	-	-	(24,316)	(24,316)
At 30 June 2018	258,300	(5,771)	(20,633)	115,347	201,316	548,559

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
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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months ended	
	30 June 2019	30 June 2018
	RM'000	RM'000
<u>Operating activities</u>		
Loss before taxation	(16,497)	(8,581)
<u>Adjustments for:</u>		
Amortisation of intangible assets	259	180
Amortisation and depreciation of property, plant and equipment and right-of-use assets	19,083	18,340
Finance cost	619	199
Finance income	(1,048)	(1,930)
Net gain on disposal of property, plant and equipment	(20)	(11)
Property, plant and equipment written off	9	37
Share of results of associates	(1,181)	(2,907)
	17,721	13,908
Operating cash flows before changes in working capital	1,224	5,327
<u>Changes in working capital:</u>		
Change in inventories	5,774	(8,040)
Change in trade and other receivables	(15,261)	(12,040)
Change in trade and other payables	17,986	4,442
Total changes in working capital	8,499	(15,638)
Interest received	1,048	1,930
Interest paid	(320)	(199)
Income taxes refund/(paid)	2,058	(1,549)
	2,786	182
Net cash flows generated from/(used in) operating activities	12,509	(10,129)
<u>Investing activities</u>		
Investment in equity investment	(4,666)	(3,386)
Purchase of property, plant and equipment	(15,941)	(18,201)
Purchase of intangible assets	(993)	(135)
Net proceeds from disposal of property, plant and equipment	41	25
Placement of short term deposits more than three months	-	(10,000)
Dividend income received	9,000	7,500
Net cash flows used in investing activities	(12,559)	(24,197)
<u>Financing activities</u>		
Dividends paid	(20)	(24,316)
Repayment on lease liabilities	(1,860)	-
Net proceeds from loans & borrowings	9,465	62
Net cash flows generated from/(used in) financing activities	7,585	(24,254)
Net increase/(decrease) in cash and cash equivalents	7,535	(58,580)
Cash & cash equivalents at 1 January	60,534	92,832
Cash & cash equivalents at 30 June (Note 14)	68,069	34,252

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - 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 6 August 2019.

2. Accounting policies and methods of computation

These condensed consolidated interim financial statements, for the period ended 30 June 2019, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market 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 2018, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The audited consolidated financial statements of the Group for the year ended 31 December 2018 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.

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 audited consolidated financial statements as at and for the year ended 31 December 2018.

3. Changes in accounting policy

The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments that apply for the first time in 2019 do not have a material impact on the annual consolidated financial statements of the Group nor to the interim condensed consolidated financial statements of the Group.

On 1 January 2019, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after the dates stated below:

Description	Effective for annual financial periods beginning on or after
MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycle	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - UNAUDITED

MFRSs and Amendments to MFRSs issued but not yet effective

At the date of issuance of the condensed consolidated interim financial statements, the following Standards were issued but not yet effective and have not been adopted by the Group.

Description	Effective for annual financial periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 – Definition of a Business	1 January 2020
Definition of Material (Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standards and amendments will not have any material effect on the financial performance or position of the Group .

MFRS 16 : Leases - Impacts on financial statements

On MFRS 16 Leases, the Group adopt the new standard on the required effective date using the modified retrospective approach and recognise a right-of-use asset and a corresponding lease liability. The following table presents the impact of changes to the statements of financial position of the Group resulting from the adoption of MFRS 16 Leases as at 1 January 2019:

<u>Group</u>	31 December 2018 RM'000	Changes RM'000	1 January 2019 RM'000
<u>Non-current assets</u>			
Right-of-use assets	-	8,509	8,509
<u>Non-current liabilities</u>			
Lease liabilities	-	5,307	5,307
<u>Current liabilities</u>			
Lease liabilities	-	3,202	3,202
Total lease liabilities	-	8,509	8,509

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 period having a material impact in the current reporting period.

5. Changes in composition of the Group

There were no changes to the composition of the Group during the current quarter ended 30 June 2019.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - UNAUDITED

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
30.6.2019					
Segment revenue	192,818	108,149	-	-	300,967
Inter-segment revenue	(36,021)	-	-	-	(36,021)
Revenue from external customers	156,797	108,149	-	-	264,946
Segment profit/(loss)	(12,372)	3,689	(424)	(9,000)	(18,107)
Inter-segment elimination	(797)	708	89	-	-
	(13,169)	4,397	(335)	(9,000)	(18,107)
Segment profit/(loss)	(12,372)	3,689	(424)	(9,000)	(18,107)
Finance income	1,297	114	0	(363)	1,048
Finance cost	(98)	(521)	(363)	363	(619)
Share of profit from associates	-	-	-	1,181	1,181
Profit/(loss) before tax	(11,173)	3,282	(787)	(7,819)	(16,497)
30.6.2018					
Segment revenue	202,166	108,707	1,342	-	312,215
Inter-segment revenue	(40,970)	-	(1,342)	-	(42,312)
Revenue from external customers	161,196	108,707	-	-	269,903
Segment profit/(loss)	(7,120)	1,789	(303)	(7,585)	(13,219)
Inter-segment elimination	(803)	714	89	-	-
	(7,923)	2,503	(214)	(7,585)	(13,219)
Segment profit/(loss)	(7,120)	1,789	(303)	(7,585)	(13,219)
Finance income	1,985	144	1	(200)	1,930
Finance cost	(15)	(184)	(200)	200	(199)
Share of profit of associates	-	-	-	2,907	2,907
Profit/(loss) before tax	(5,150)	1,749	(502)	(4,678)	(8,581)

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	30.6.2019	30.6.2018
	RM'000	RM'000
Malaysia	260,995	264,630
Outside Malaysia	3,951	5,273
	264,946	269,903

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - UNAUDITED

7. Seasonal or cyclical factors

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

8. Loss before tax

Included in the loss before tax are the following items:

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		RM'000	RM'000	RM'000	RM'000
Loss before tax is arrived at after charging/(crediting):					
Amortisation of intangible assets	12	136	92	259	180
Depreciation of property, plant and equipment	11	8,649	8,680	17,050	18,340
Amortisation/Depreciation of right-of-use assets		1,176	-	2,033	-
Finance income		(552)	(896)	(1,048)	(1,930)
Finance cost		341	101	619	199
Net gain on disposal of property, plant and equipment		(20)	(11)	(20)	(11)
Property, plant and equipment written off	11	1	35	9	37
Net gain on foreign exchange - realised		(13)	(65)	(41)	(83)
Rental income		(228)	(293)	(402)	(600)

There were no investment income, gain or loss on disposal of investments or properties, impairment of assets and other exceptional items in current financial period to date except as disclosed above.

9. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(636)	(1,521)	(1,082)	(1,949)
- Prior year	-	-	(32)	-
	(636)	(1,521)	(1,114)	(1,949)
<u>Deferred tax</u>				
Reversal of temporary differences	-	1,450	-	1,450
	(636)	(71)	(1,114)	(499)

Despite the Group's loss in the current quarter to date, the tax is for income from a subsidiary.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - UNAUDITED

10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	RM'000	RM'000	RM'000	RM'000
(I) Basic earnings per share				
Loss net of tax attributable to equity holders of the Company	(7,191)	(4,652)	(17,611)	(9,080)
Less : 6% Preference Dividend	-	-	(20)	(20)
Loss net of tax attributable to equity holders of the Company used in the computation of basic earnings per share	(7,191)	(4,652)	(17,631)	(9,100)
Weighted average number of ordinary shares in issue at 30 June ('000)	121,143	121,143	121,143	121,143
Basic loss per share (sen)	(5.94)	(3.84)	(14.55)	(7.51)

(II) Diluted earnings per share

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

11. Property, plant and equipment

	Note	30 June 2019	31 December 2018
		RM'000	RM'000
Net carrying amount:			
Balance at the beginning of year		243,536	242,578
Additions		15,941	37,049
Disposals		(21)	(660)
Less: Reclassification to Right-of-use assets		(15,383)	-
Less: Depreciation	8	(17,050)	(35,184)
Less: Written off	8	(9)	(247)
Balance at end of period/year		227,014	243,536

12. Intangible assets

	Note	30 June 2019	31 December 2018
		RM'000	RM'000
Net carrying amount:			
Balance at the beginning of year		1,114	1,285
Additions		993	194
Less: Amortisation	8	(259)	(364)
Less: Written off		-	(1)
Balance at end of period/year		1,848	1,114

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - UNAUDITED

13. Inventories

During the period ended 30 June 2019, there were no material write-down of inventories to net realisable value nor the reversal of such write-down recognised in the Group's statement of comprehensive income.

14. Cash and bank balances

	30 June 2019	31 December 2018
	RM'000	RM'000
Cash at banks and on hand	20,659	16,004
Short term deposits with licensed banks	47,410	44,530
	<u>68,069</u>	<u>60,534</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.

16. Provisions

	Restoration and other environmental cost	
	30 June 2019	31 December 2018
	RM'000	RM'000
Balance at the beginning of year	2,338	2,317
Arose during the period/year	-	559
Unwinding of discount	33	52
Reversal of provision	-	(14)
Payments during the period/year	-	(576)
Balance at end of period/year	<u>2,371</u>	<u>2,338</u>
At 30 June 2019		
Current	575	575
Non-current:		
- Later than 1 year but not later than 5 years	580	135
- Later than 2 years but not later than 5 years	438	866
- More than 10 years	778	762
	<u>2,371</u>	<u>2,338</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.

Other environmental cost is recognised on the basis of legal or constructive obligation and the expected cost is based on management's best estimates.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 - UNAUDITED

17. Group borrowings and debts securities

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

	30 June 2019	31 December 2018
	RM'000	RM'000
Bankers' Acceptances (unsecured)	20,831	11,366

18. Dividends

On 24 May 2019, the Company paid a single-tier dividend of 6% on the Cumulative Participating Preference Shares totalling RM20,100 in respect of the financial year ended 31 December 2018.

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 2019	30 June 2018
	RM'000	RM'000
<u>Property, plant & equipment</u>		
- Approved and contracted for	4,200	8,207
- Approved but not contracted for	7,407	8,157
	<u>11,607</u>	<u>16,364</u>

20. Contingencies

There were no changes or any major contingent liabilities or assets arising at the date of issuance of this report.

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

For the current quarter, the Group registered net revenue of RM127.7 million and loss after tax of RM7.2 million compared with the corresponding quarter of previous year of RM133.6 million and RM4.6 million respectively. The higher loss for the current quarter was mainly contributed by the cement segment which continue to be affected by the prolonged price competition and high costs of production. In addition, lower interest income and lower share of profit from associate company further impacted the performance of the Group.

The cement segment recorded a net revenue and loss of RM92.4 million and RM9.6 million respectively for the current quarter compared with net revenue of RM100.4 million and loss of RM7.1 million of the corresponding quarter of previous year mainly due to the continuing competitive pricing in the domestic market. The slow-down in the construction activities has further aggravated the excess capacity currently faced by the industry that lead to the prolonged price competition since the middle of 2016. This adverse impact was further compounded by the rising costs of electricity and fuel used in production.

The ready-mixed concrete segment on the other hand registered a marginally lower net revenue of RM52.5 million and a profit of RM2.1 million for the current quarter compared with net revenue of RM52.7 million and profit of RM480,000 of the corresponding quarter of previous year. The marginal decrease in net revenue despite a slight increase in sales volume was mainly due to higher shift in sales mix toward lower grade concrete following the closure of a site plant. However, the impact on the net revenue was mitigated by the improvement noted in the segment's contribution arising from cheaper raw material costs.

The Group's interest income of RM552,000 for the current quarter was lower compared with RM896,000 of the corresponding quarter of previous year mainly due to lesser amount of funds placed on term deposits.

The lower share of profit from the associate company for the reporting quarter compared with the previous year's corresponding quarter was mainly due to lower profit margin arising from higher costs of imported raw materials, finished products and plant overheads. In addition, cement demand during the current quarter was 6.7% lower compared with the corresponding quarter of previous year.

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

The Group recorded net revenue of RM264.9 million and loss after tax of RM17.6 million for the current period to date compared with net revenue of RM269.9 million and loss after tax of RM9.1 million of the corresponding period to date of previous year. The higher cumulative loss for the current period to date was mainly contributed by the cement segment's lower average net selling price and higher costs of production. Lower interest income and lower share of profit from associate company further affected the performance of the Group for the current period to date.

Cement segment recorded net revenue of RM192.8 million and loss of RM21.4 million for the current period to date compared to net revenue of RM202.2 million and loss of RM14.7 million for the corresponding period to date of previous year from lower domestic cement sales exacerbated by lower average net selling price caused by prolonged price competition. Lower cement sales to the Southern region was the main contributing factor to the lower domestic cement sales. In addition, higher electricity cost arising from TNB's ICPT surcharge and higher fuel and repair maintenance costs during the current period to date further impacted the segment's performance.

Ready-mixed concrete segment on the other hand registered higher profit of RM3.7 million for the current period to date compared with RM1.8 million in the corresponding period to date of previous year. The higher profit was mainly contributed by the marginally higher sales volume and lower raw material costs.

The Group's interest income of RM1.05 million for the current period to date was RM882,000 lower compared to the corresponding period to date of previous year due to lesser funds placed on term deposits.

Share of profit of associate company for the current period to date was lower at RM1.2 million compared with RM2.9 million from the corresponding period to date of previous year mainly due to lower sales volume and higher cost of imported raw materials and finished products.

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

	Current quarter 30 June 2019 RM'000	Immediate preceding quarter 31 March 2019 RM'000
Revenue	127,682	137,264
Net loss before tax	(7,418)	(10,260)
Share of results of associates	863	318
Consolidated loss before tax	<u>(6,555)</u>	<u>(9,942)</u>

The Group recorded a lower net revenue of RM127.7 million compared with RM137.3 million of the immediate preceding quarter mainly due to lower sales volume in both the cement and ready-mixed concrete segments following shorter business cycles from the festive holidays during the current financial quarter. However, despite the lower net revenue, the Group recorded lower losses in the current quarter compared with the immediate preceding quarter mainly due to concrete segment's improved contribution margin and higher other income recorded by the cement segment. Higher interest income and higher share of profit of associate also contributed to better performance of Group in the current financial quarter.

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24. Commentary on prospects

The Board expects third quarter to continue to remain challenging from price competition. Further, while the construction activities remain subdued the construction sector may see some improvements in activities if the announced revival by Government of the mega projects proceed as planned.

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

On 28 May 2019, the Board of Directors received a notice of unconditional voluntary take-over offer from CIMB Investment Bank Berhad on behalf of HL Cement (Malaysia) Sdn Bhd and Ridge Star Limited ("Joint Offerors") to acquire all the remaining ordinary shares (excluding treasury shares) ("Offer Ordinary Shares") and all the remaining preference shares ("Offer Preference Shares") in Tasek Corporation Berhad not already held by the Joint Offerors for a cash consideration of RM5.50 per Offer Ordinary Share and RM5.50 per Offer Preference Share.

On 2 August 2019, the Company received notification from the Joint Offerors informing the shareholders of the Company that the Offer Price has been revised from RM5.50 to RM5.80 per Offer Ordinary Share and RM5.50 to RM5.80 per Offer Preference Share ("Revised Offer") and that Revised Offer will remain open for acceptances until 5.00 pm (Malaysian time) on Monday, 19 August 2019, which will be the final Closing Date.

On 2 August 2019, the Company announced it has obtained consent from the Securities Commission Malaysia's pursuant to Paragraph 12.02(2) of the Rules on Take-overs, Mergers and Compulsory Acquisitions for the Company to release its quarterly results after the 39th day following the dispatch of the Offer Document by the Joint Offerors.

27. Material litigation

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

28. Dividends

No interim dividend has been declared for the current quarter ended 30 June 2019 (2nd Quarter of 2018 : Nil).

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 assets and liabilities

There were no gain/loss on fair value changes of financial assets and liabilities for the current quarter ended (2nd Quarter of 2018 : Nil).

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

Investment in quoted securities held by the Group as at 30 June 2019 was as follows:

	Current quarter 3 months ended 30 June 2019	Cumulative quarter 6 months ended 30 June 2019
	RM'000	RM'000
Quoted investment in Malaysia, at fair value	12,003	4,165
Addition	-	4,666
Fair value gain recognised in other comprehensive income	5,377	8,549
At market value/carrying value	<u>17,380</u>	<u>17,380</u>

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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33. 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 except as disclosed in Note 32.

34. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2018 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN
COMPANY SECRETARY

6 AUGUST 2019
KUALA LUMPUR, MALAYSIA