

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2018

TASEK CORPORATION BERHAD

Financial Year End 31 Dec 2018
 Quarter 1 Qtr
 Quarterly report for the financial period ended 31 Mar 2018
 The figures have not been audited

Attachments

[Bursa 1Qtr2018 \(announcement\).pdf](#)

238.8 kB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION

31 Mar 2018

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | 31 Mar 2018 | 31 Mar 2017 | 31 Mar 2018 | 31 Mar 2017 |
| | \$\$'000 | \$\$'000 | \$\$'000 | \$\$'000 |
| 1 Revenue | 136,329 | 132,327 | 136,329 | 132,327 |
| 2 Profit/(loss) before tax | -4,000 | 4,778 | -4,000 | 4,778 |
| 3 Profit/(loss) for the period | -4,428 | 3,560 | -4,428 | 3,560 |
| 4 Profit/(loss) attributable to ordinary equity holders of the parent | -4,428 | 3,560 | -4,428 | 3,560 |
| 5 Basic earnings/(loss) per share (Subunit) | -3.66 | 2.91 | -3.66 | 2.91 |
| 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 | | 4.7912 | | 4.8522 |

**holders of the
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 | 24 Apr 2018 |
| Category | Financial Results |
| Reference Number | FRA-20042018-00005 |

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Current quarter 3 months ended 31 March | | Cumulative quarter 3 months ended 31 March | |
|--|------|---|----------------|--|----------------|
| | | 2018 RM'000 | 2017 RM'000 | 2018 RM'000 | 2017 RM'000 |
| Revenue | | 136,329 | 132,327 | 136,329 | 132,327 |
| Cost of sales | | (111,572) | (99,510) | (111,572) | (99,510) |
| Gross profit | | <u>24,757</u> | <u>32,817</u> | <u>24,757</u> | <u>32,817</u> |
| Other (expense)/income | | 2,226 | 438 | 2,226 | 438 |
| Selling and Distribution Expenses | | (27,519) | (24,531) | (27,519) | (24,531) |
| Administrative Expenses | | (5,840) | (6,189) | (5,840) | (6,189) |
| Operating (loss)/profit | | <u>(6,376)</u> | <u>2,535</u> | <u>(6,376)</u> | <u>2,535</u> |
| Finance income | 8 | 1,034 | 1,758 | 1,034 | 1,758 |
| Finance cost | 8 | (98) | (136) | (98) | (136) |
| Net finance income | | <u>936</u> | <u>1,622</u> | <u>936</u> | <u>1,622</u> |
| | | <u>(5,440)</u> | <u>4,157</u> | <u>(5,440)</u> | <u>4,157</u> |
| Share of results of associates, net of tax | | 1,440 | 621 | 1,440 | 621 |
| (Loss)/Profit before tax | 8 | <u>(4,000)</u> | <u>4,778</u> | <u>(4,000)</u> | <u>4,778</u> |
| Income tax expense | 9 | (428) | (1,218) | (428) | (1,218) |
| (Loss)/Profit net of tax for the quarter/period ended | | <u>(4,428)</u> | <u>3,560</u> | <u>(4,428)</u> | <u>3,560</u> |
| (Loss)/Profit net of tax for the quarter/period ended attributable to : | | | | | |
| Equity holders of the Company | | <u>(4,428)</u> | <u>3,560</u> | <u>(4,428)</u> | <u>3,560</u> |
| Earnings per share attributable to equity holders of the Company (sen per share): | | | | | |
| - Basic and diluted | 10 | <u>(3.66)</u> | <u>2.91</u> | <u>(3.66)</u> | <u>2.91</u> |

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

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(Company No: 4698-W)
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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Current quarter 3 months ended 31 March | | Cumulative quarter 3 months ended 31 March | |
|---|------|---|----------------|--|----------------|
| | | 2018 RM'000 | 2017 RM'000 | 2018 RM'000 | 2017 RM'000 |
| (Loss)/Profit net of tax for the quarter/period ended | | (4,428) | 3,560 | (4,428) | 3,560 |
| Other comprehensive income: <u>Items that may be reclassified subsequently to profit and loss:</u> | | | | | |
| Net changes on available-for-sale ("AFS") financial assets | | | | | |
| - Changes in fair value of AFS investment | 32 | (2,982) | - | (2,982) | - |
| Total comprehensive (expense)/income net of income tax for the quarter/period ended | | <u>(7,410)</u> | <u>3,560</u> | <u>(7,410)</u> | <u>3,560</u> |
| Total comprehensive (expense)/income for the quarter/period ended attributable to : Equity holders of the Company | | <u>(7,410)</u> | <u>3,560</u> | <u>(7,410)</u> | <u>3,560</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 31 MARCH 2018 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 31 March 2018 RM'000 | 31 December 2017 RM'000 (Audited) |
|---|-------------|-------------------------|---|
| Assets | Note | | |
| Non - current assets | | | |
| Property, plant and equipment | 11 | 240,713 | 242,578 |
| Intangible assets | 12 | 1,327 | 1,285 |
| Prepaid lease payments | | - | - |
| Available-for-sale investment | | 8,943 | 9,617 |
| Investment in associates | | 81,488 | 80,048 |
| Other receivables | | 8 | 242 |
| Total non - current assets | | <u>332,479</u> | <u>333,770</u> |
| Current assets | | | |
| Inventories | 13 | 124,158 | 130,072 |
| Trade and other receivables | | 114,737 | 99,645 |
| Tax recoverable | | 10,031 | 11,339 |
| Cash and bank balances | 14 | 123,770 | 132,832 |
| Total current assets | | <u>372,696</u> | <u>373,888</u> |
| Total assets | | <u><u>705,175</u></u> | <u><u>707,658</u></u> |
| Equity attributable to equity holders of the Company | | | |
| Share Capital | | 258,300 | 258,300 |
| Reserves | | 322,115 | 329,525 |
| Total equity | | <u>580,415</u> | <u>587,825</u> |
| Liabilities | | | |
| Non - current liabilities | | | |
| Provision | 16 | 1,561 | 1,572 |
| Deferred tax liabilities | | 17,602 | 17,601 |
| Total non - current liabilities | | <u>19,163</u> | <u>19,173</u> |
| Current liabilities | | | |
| Provision | 16 | 993 | 745 |
| Income tax payable | | 487 | 658 |
| Loans and borrowings | 17 | 7,465 | 9,061 |
| Trade and other payables | | 96,652 | 90,196 |
| Total current liabilities | | <u>105,597</u> | <u>100,660</u> |
| Total liabilities | | <u>124,760</u> | <u>119,833</u> |
| Total equity and liabilities | | <u><u>705,175</u></u> | <u><u>707,658</u></u> |
| Net Assets per Share (RM) | | <u>4.79</u> | <u>4.85</u> |
| Net Tangible Assets per Share (RM) | | <u>4.78</u> | <u>4.84</u> |

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 - 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 | Fair Value Adjustment Reserve RM'000 | Treasury Shares RM'000 | General Reserve RM'000 | Retained Profits RM'000 | |
| At 1 January 2018 | 258,300 | - | - | 99 | (20,633) | 115,347 | 234,712 | 587,825 |
| Total comprehensive income | - | - | - | (2,982) | - | - | (4,428) | (7,410) |
| At 31 March 2018 | 258,300 | - | - | (2,883) | (20,633) | 115,347 | 230,284 | 580,415 |
| At 1 January 2017 | 123,956 | 133,946 | 398 | - | (20,633) | 115,347 | 306,608 | 659,622 |
| Effect of implementation of Companies Act 2016 | 134,344 | (133,946) | (398) | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | - | - | 3,560 | 3,560 |
| At 31 March 2017 | 258,300 | - | - | - | (20,633) | 115,347 | 310,168 | 663,182 |

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

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 3 Months ended | |
|--|-----------------------|------------------------|
| | 31 March 2018 | 31 March 2017 |
| | RM'000 | RM'000 |
| <u>Operating activities</u> | | |
| (Loss)/Profit before taxation | (4,000) | 4,778 |
| <u>Adjustments for:</u> | | |
| Amortisation of intangible assets | 88 | 106 |
| Amortisation of prepaid lease payments | - | 2 |
| Depreciation of property, plant and equipment | 9,660 | 12,100 |
| Finance cost | 98 | 136 |
| Interest income | (1,034) | (1,758) |
| Net gain on disposal of property, plant and equipment | - | (23) |
| Property, plant and equipment written off | 2 | 51 |
| Share of results of associates | (1,440) | (621) |
| | <u>7,374</u> | <u>9,993</u> |
| Operating cash flows before changes in working capital | 3,374 | 14,771 |
| <u>Changes in working capital:</u> | | |
| Change in inventories | 5,914 | (29,609) |
| Change in trade and other receivables | (14,858) | 2,673 |
| Change in trade and other payables | 6,693 | 2,138 |
| Total changes in working capital | <u>(2,251)</u> | <u>(24,798)</u> |
| Interest received | 1,034 | 1,758 |
| Interest paid | (98) | (136) |
| Income taxes refund/(paid) | 710 | (4,367) |
| | <u>1,646</u> | <u>(2,745)</u> |
| Net cash flows generated from/(used in) operating activities | <u>2,769</u> | <u>(12,772)</u> |
| <u>Investing activities</u> | | |
| Acquisition of available-for-sales investment | (2,308) | - |
| Purchase of property, plant and equipment | (7,797) | (5,262) |
| Purchase of intangible assets | (130) | (27) |
| Net proceeds from disposal of property, plant and equipment | - | 137 |
| Withdrawal/(Placement) of short term deposits more than three months | 20,000 | (19,000) |
| Dividend income | - | 3,000 |
| Net cash flows generated from/(used in) investing activities | <u>9,765</u> | <u>(21,152)</u> |
| <u>Financing activities</u> | | |
| Net repayments of loans & borrowings | (1,596) | (795) |
| Net cash flows used in financing activities | <u>(1,596)</u> | <u>(795)</u> |
| Net increase/(decrease) in cash and cash equivalents | 10,938 | (34,719) |
| Cash & cash equivalents at 1 January | 92,832 | 201,550 |
| Cash & cash equivalents at 31 March (Note 14) | <u>103,770</u> | <u>166,831</u> |

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

TASEK CORPORATION BERHAD
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 - 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 24 April 2018.

2. Accounting policies and methods of computation

These condensed consolidated interim financial statements, for the period ended 31 March 2018, 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 2017, 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 2017 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 2017.

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 2018 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 2018, the Group adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 January 2018:

| Description | Effective for annual financial periods beginning on or after |
|---|---|
| Annual Improvements to MFRSs 2014 – 2016 Cycle | |
| (i) Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards | 1 January 2018 |
| (ii) Amendments to MFRS 128: Investments in Associates and Joint Ventures | 1 January 2018 |
| MFRS 2: Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2) | 1 January 2018 |
| MFRS 15: Revenue from Contracts with Customers | 1 January 2018 |
| MFRS 9: Financial Instruments | 1 January 2018 |
| Amendments to MFRS 140: Transfers of Investment Property | 1 January 2018 |
| IC Interpretation 22: Foreign Currency Transactions and Advance Consideration | 1 January 2018 |

The Group applies, for the first time, MFRS 15 Revenue on Contracts with Customers and MFRS 9 Financial Instruments that require restatement of previous financial statements. As required by MFRS 134, the nature and effect of these changes are disclosed below:

The Group adopted MFRS 15 using the full retrospective method and has ensured that goods or services provided to customers are in an amount that reflects the consideration to which the entity expects to be entitled for the goods and services and recognition of revenue on the transfer of performance obligation to customer. There was no significant impact that would require retropective reinstatement of the statement of financial position by the adoption of this approach in the current financial quarter ended.

On the adoption of MFRS 9, the Group has assessed all the three aspects of the accounting for the financial assets and liabilities for classification and measurement, impairment and hedge accounting. During the current financial quarter ended, there is no requirement for any reclassification for loans and receivables nor any significant impact on the statement of financial position on fair value measurement on the financial assets and quoted equity shares held as available-for-sale (AFS) and there is no expectation of any impairment on trade receivables.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 - 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.

| | Effective for annual financial periods beginning on or after |
|---|---|
| Annual Improvements to MFRSs 2015 – 2017 Cycle | 1 January 2019 |
| (i) Amendments to MFRS 3: Business Combinations | 1 January 2019 |
| (ii) Amendments to MFRS 11: Joint Arrangements | 1 January 2019 |
| (iii) Amendments to MFRS 112: Income Taxes | 1 January 2019 |
| (iv) Amendments to MFRS 123: Borrowing Costs | 1 January 2019 |
| IC Interpretation 23: Uncertainty over Income Tax Treatments | 1 January 2019 |
| MFRS 9: Prepayment Features with Negative Compensation (Amendments to MFRS 9) | 1 January 2019 |
| MFRS 16: Leases | 1 January 2019 |
| MFRS 128: Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128) | 1 January 2019 |
| MFRS 119: Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119) | 1 January 2019 |
| 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 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 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 31 March 2018.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 |
|---------------------------------|----------|-------------------------|-----------------------|-------------------------------|----------|
| <u>31.3.2018</u> | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment revenue | 101,745 | 56,032 | 1,342 | - | 159,119 |
| Inter-segment revenue | (21,448) | - | (1,342) | - | (22,790) |
| Revenue from external customers | 80,297 | 56,032 | - | - | 136,329 |
| Segment profit/(loss) | (7,500) | 1,309 | (95) | (90) | (6,376) |
| Inter-segment elimination | (435) | 381 | 54 | - | (0) |
| | (7,935) | 1,690 | (41) | (90) | (6,376) |
| Segment profit/(loss) | (7,500) | 1,309 | (95) | (90) | (6,376) |
| Finance income | 1,039 | 80 | - | (85) | 1,034 |
| Finance cost | (7) | (91) | (85) | 85 | (98) |
| Share of profit from associates | - | - | - | 1,440 | 1,440 |
| Profit/(loss) before tax | (6,468) | 1,298 | (180) | 1,350 | (4,000) |
| <u>31.3.2017</u> | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment revenue | 97,055 | 57,232 | 1,263 | - | 155,550 |
| Inter-segment revenue | (21,960) | - | (1,263) | - | (23,223) |
| Revenue from external customers | 75,095 | 57,232 | - | - | 132,327 |
| Segment profit/(loss) | 4,649 | 1,047 | (89) | (3,072) | 2,535 |
| Inter-segment elimination | (353) | 300 | 53 | - | - |
| | 4,296 | 1,347 | (36) | (3,072) | 2,535 |
| Segment profit/(loss) | 4,649 | 1,047 | (89) | (3,072) | 2,535 |
| Finance income | 1,700 | 66 | 1 | (9) | 1,758 |
| Finance cost | - | (145) | - | 9 | (136) |
| Share of profit of associates | - | - | - | 621 | 621 |
| Profit/(loss) before tax | 6,349 | 968 | (88) | (2,451) | 4,778 |

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

| | 31.3.2018 | 31.3.2017 |
|------------------|-----------|-----------|
| | RM'000 | RM'000 |
| Malaysia | 133,724 | 132,327 |
| Outside Malaysia | 2,605 | - |
| | 136,329 | 132,327 |

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 FIRST QUARTER ENDED 31 MARCH 2018 - 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)/Profit before tax

Included in the (loss)/profit before tax are the following items:

| | Note | Current quarter 3 months ended | | Cumulative quarter 3 months ended | |
|--|------|-----------------------------------|------------------|--------------------------------------|------------------|
| | | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| (Loss)/Profit before tax is arrived at after charging/(crediting): | | | | | |
| Amortisation of prepaid lease payments | | - | 2 | - | 2 |
| Amortisation of intangible assets | 12 | 88 | 106 | 88 | 106 |
| Depreciation of property, plant and equipment | 11 | 9,660 | 12,100 | 9,660 | 12,100 |
| Finance income | | (1,034) | (1,758) | (1,034) | (1,758) |
| Finance cost | | 98 | 136 | 98 | 136 |
| Net gain on disposal of property, plant and equipment | | - | (23) | - | (23) |
| Property, plant and equipment written off | 11 | 2 | 51 | 2 | 51 |
| Net (gain)/loss on foreign exchange - realised | | (18) | 1 | (18) | 1 |
| Reversal of provision for voluntary separation scheme | | - | (40) | - | (40) |
| Rental income | | (307) | (243) | (307) | (243) |

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 3 months ended | |
|---|-----------------------------------|------------------|--------------------------------------|------------------|
| | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Current Income tax</u> | | | | |
| Malaysia - Current year | (428) | (1,926) | (428) | (1,926) |
| <u>Deferred tax</u> | | | | |
| Reversal of temporary differences | - | 712 | - | 712 |
| Under provision in respect of prior years | - | (4) | - | (4) |
| | (428) | (1,218) | (428) | (1,218) |

The Group's effective tax rate for the current quarter is above the statutory tax rate of 24% (2017: 24%) in Malaysia mainly due to non tax-deductible expenses.

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10. Earnings per share

| | Current quarter 3 months ended | | Cumulative quarter 3 months ended | |
|---|-----------------------------------|------------------|--------------------------------------|------------------|
| | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>(I) Basic earnings per share</u> | | | | |
| (Loss)/Profit net of tax attributable to equity holders of the Company | (4,428) | 3,560 | (4,428) | 3,560 |
| Less : 6% Preference Dividend | (20) | (20) | (20) | (20) |
| Less : Proportion of loss/(profit) attributable to preference shareholders | 12 | (10) | 12 | (10) |
| (Loss)/Profit net of tax attributable to equity holders of the Company used in the computation of basic earnings per share | (4,436) | 3,530 | (4,436) | 3,530 |
| Weighted average number of ordinary shares in issue at 31 March ('000) | 121,143 | 121,143 | 121,143 | 121,143 |
| Basic earnings per share (sen) | (3.66) | 2.91 | (3.66) | 2.91 |

(II) Diluted earnings per share

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

11. Property, plant and equipment

| | Note | 31 March 2018 | 31 December 2017 |
|----------------------------------|------|------------------|---------------------|
| | | RM'000 | RM'000 |
| Net carrying amount: | | | |
| Balance at the beginning of year | | 242,578 | 262,067 |
| Additions | | 7,797 | 29,464 |
| Disposals | | - | (236) |
| Less: Depreciation | 8 | (9,660) | (48,575) |
| Less: Written off | 8 | (2) | (142) |
| Balance at end of period/year | | 240,713 | 242,578 |

12. Intangible assets

| | Note | 31 March 2018 | 31 December 2017 |
|----------------------------------|------|------------------|---------------------|
| | | RM'000 | RM'000 |
| Net carrying amount: | | | |
| Balance at the beginning of year | | 1,285 | 1,625 |
| Additions | | 130 | 61 |
| Less: Amortisation | 8 | (88) | (396) |
| Less: Written off | 8 | - | (5) |
| Balance at end of period/year | | 1,327 | 1,285 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 - UNAUDITED

13. Inventories

During the period ended 31 March 2018, 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

| | 31 March 2018 | 31 December 2017 |
|--|------------------|---------------------|
| | RM'000 | RM'000 |
| Cash at banks and on hand | 32,180 | 40,432 |
| Short term deposits with licensed banks | 91,590 | 92,400 |
| Cash and cash equivalents | 123,770 | 132,832 |
| Less: Short-term deposits more than three months | (20,000) | (40,000) |
| | <u>103,770</u> | <u>92,832</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. Provision

| | Restoration and other environmental cost | |
|--|---|---------------------|
| | 31 March 2018 | 31 December 2017 |
| | RM'000 | RM'000 |
| Balance at the beginning of year | 2,317 | 2,548 |
| Arose during the period/year | 257 | 850 |
| Unwinding of discount | 15 | 79 |
| Reversal of provision | - | (168) |
| Payments during the period/year | (35) | (992) |
| Balance at end of period/year | <u>2,554</u> | <u>2,317</u> |
| At 31 March 2018 | | |
| Current | 993 | 745 |
| Non-current: | | |
| - Later than 1 year but not later than 5 years | 821 | 839 |
| - More than 10 years | 740 | 733 |
| | <u>2,554</u> | <u>2,317</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.

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17. Group borrowings and debts securities

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

| | 31 March 2018 | 31 December 2017 |
|----------------------------------|------------------|---------------------|
| | RM'000 | RM'000 |
| Bankers' Acceptances (unsecured) | 7,465 | 9,061 |

18. Dividends

No dividend was paid during the current quarter (1st Quarter of 2017: Nil).

19. Commitments

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

| | 31 March 2018 | 31 March 2017 |
|--|------------------|------------------|
| | RM'000 | RM'000 |
| <u>Property, plant & equipment</u> | | |
| - Approved and contracted for | 14,125 | 10,882 |
| - Approved but not contracted for | 1,339 | 3,039 |
| | <u>15,464</u> | <u>13,921</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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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22. Review of performance

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

The Group registered net revenue of RM136.3 million and loss after tax of RM4.4 million for the current quarter compared to net revenue of RM132.3 million and profit after tax of RM3.6 million of the corresponding quarter of previous year. The higher net revenue for the current quarter was contributed by cement segment's higher sales volume for domestic market. However, intense price competition continued to negatively affect the average net selling price for both cement and ready-mixed concrete segments during the current quarter. Higher production cost due to scheduled plant maintenance in January and lower interest income further affected the performance of the Group during the current quarter. The higher share of profit from associate company in the current quarter has helped mitigate the cement segment's loss.

The cement segment recorded a net revenue of RM101.7 million and segment loss of RM7.5 million for the current quarter compared with previous year's corresponding quarter's net revenue of RM97.1 million and segment profit of RM4.6 million. Improvement in cement demand was registered in the domestic market during the current quarter while price competition remained intense with average net pricing continuing to be under pressure contributing to lower sales margin. In addition, higher production cost arising from the scheduled plant maintenance in January also impacted the cement segment's performance for the current quarter.

The ready-mixed concrete segment recorded net revenue of RM56.0 million and segment profit of RM1.3 million for the current quarter compared with net revenue of RM57.2 million and segment profit of RM1.0 million for the corresponding quarter of previous year. The 2.9% decrease in net revenue was mainly due to lower average net pricing and marginal decrease in sales volume. Despite the lower net revenue, the segment registered higher operating profit during the current quarter mainly due to lower raw materials and plant operating costs.

The Group's interest income of RM1.0 million for the current quarter was lower compared with RM1.8 million in the corresponding quarter of previous year due to less amount of funds placed on term deposits.

Share of profit of associate company in the current quarter improved to RM1.4 million from RM621,000 of the corresponding quarter of previous year mainly contributed by the higher sales volume and lower cost of sales.

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

| | Current quarter 31 March 2018 RM'000 | Immediate preceding quarter 31 December 2017 RM'000 |
|-------------------------------|--|--|
| Revenue | 136,329 | 135,258 |
| Net loss before tax | (5,440) | (8,677) |
| Share of profit of associates | 1,440 | 859 |
| Consolidated loss before tax | (4,000) | (7,818) |

The Group recorded higher net revenue of RM136.3 million for the current financial quarter compared with RM135.3 million in the immediate preceding quarter due to the cement segment achieving higher sales volume in the domestic market. Hence, the Group incurred a lower loss before tax of RM4.0 million compared to RM7.8 million in the immediate preceding quarter. Average net selling prices for both cement and ready-mixed concrete segments continued to be under pressure due to the prolonged price competition in the domestic market. The Group's share of profit of associate company which improved from RM859,000 to RM1.44 million helped reduce Group loss for the current financial quarter.

24. Commentary on prospects

The Board expects the pricing competition to continue to the next quarter. Improvement in demand for cement would depend on the coming onstream of the construction works of the announced Government's mega infrastructural projects.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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.

28. Dividends

No interim dividend has been declared for the current quarter ended 31 March 2018 (1st Quarter of 2017 : 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 (1st Quarter of 2017 : 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 31 March 2018 was as follows:

| | Cumulative quarter 3 months ended <u>RM'000</u> |
|--|---|
| Quoted investment in Malaysia, at fair value | 9,617 |
| Addition | 2,308 |
| Fair value loss recognised in other comprehensive income | <u>(2,982)</u> |
| At market value/carrying value | <u><u>8,943</u></u> |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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33. Realised and Unrealised Profit or (Losses) Disclosure

The breakdown of the retained profits of the Group as at 31 March 2018 and 31 December 2017 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 31 March 2018 RM'000 | As at 31 December 2017 RM'000 |
|--|-------------------------------------|--|
| Total retained profits of the Group : | | |
| - Realised | 203,441 | 209,117 |
| - Unrealised | (17,602) | (17,601) |
| | <u>185,839</u> | <u>191,516</u> |
| Total share of retained profits from associate and jointly controlled entity : | | |
| - Realised | 62,745 | 61,588 |
| - Unrealised | (2,849) | (3,131) |
| | <u>245,735</u> | <u>249,973</u> |
| Add: consolidation adjustments | (15,451) | (15,261) |
| Retained profits as per consolidated accounts | <u><u>230,284</u></u> | <u><u>234,712</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 except as disclosed in Note 32.

35. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN
COMPANY SECRETARY

24 APRIL 2018
KUALA LUMPUR, MALAYSIA