

Quarterly rpt on consolidated results for the financial period ended 30/9/2014

TASEK CORPORATION BERHAD

Financial Year End	31/12/2014
Quarter	3
Quarterly report for the financial period ended	30/09/2014
The figures	have not been audited

Attachments

[Q3 Bursa Sep'14.pdf](#)

70 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION

	30/09/2014		30/09/2014	
	INDIVIDUAL PERIOD CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CUMULATIVE PERIOD CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2014 \$\$'000	30/09/2013 \$\$'000	30/09/2014 \$\$'000	30/09/2013 \$\$'000
1Revenue	148,680	143,929	483,094	422,018
2Profit/(loss) before tax	27,398	29,479	100,197	85,500
3Profit/(loss) for the period	21,474	23,121	77,490	66,647
4Profit/(loss) attributable to ordinary equity holders of the parent	21,474	23,121	77,490	66,647
5Basic earnings/(loss) per share (Subunit)	17.68	19.03	63.78	54.85
6Proposed/Declared dividend per share (Subunit)	50.00	30.00	90.00	62.00
	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END		
7Net assets per share attributable to ordinary equity holders of the parent (\$\$)		6.6032		7.2523

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	4 Nov 2014
Category	Financial Results
Reference No	TT-141028-55128

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

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

Summary of Key Financial Information for the third financial quarter ended 30.9.2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2013 RM'000	CURRENT YEAR TODATE 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013 RM'000
1 Revenue	148,680	143,929	483,094	422,018
2 Profit/(Loss) before tax	27,398	29,479	100,197	85,500
3 Profit/(Loss) for the period	21,474	23,121	77,490	66,647
4 Profit/(Loss) attributable to ordinary equity holders of the parents	21,474	23,121	77,490	66,647
5 Basic earnings/(loss) per share (sen)	17.68	19.03	63.78	54.85
6 Proposed/Declared dividend per share (sen)	50 sen	30 sen	90 sen	62 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)		6.6032		7.2523

Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2013 RM'000	CURRENT YEAR TODATE 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013 RM'000
1 Gross interest income	3,107	3,341	9,914	10,639
2 Gross interest expense	101	53	280	116

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue		148,680	143,929	483,094	422,018
Cost of sales		(102,436)	(96,274)	(319,438)	(282,797)
Gross Profit		46,244	47,655	163,656	139,221
Other income		2,454	65	4,675	953
Selling and Distribution Expenses		(22,394)	(20,261)	(71,222)	(60,420)
Administrative Expenses		(5,920)	(5,463)	(17,412)	(16,106)
Operating profit		20,384	21,996	79,697	63,648
Finance income	8	3,107	3,341	9,914	10,639
Finance costs	8	(101)	(53)	(280)	(116)
Net finance income		3,006	3,288	9,634	10,523
		23,390	25,284	89,331	74,171
Share of profit of associates, net of tax		4,007	4,195	10,865	11,329
Share of (loss)/profit equity accounted in joint venture, net of tax		1	-	1	-
		4,008	4,195	10,866	11,329
Profit before tax	8	27,398	29,479	100,197	85,500
Income tax expense	9	(5,924)	(6,358)	(22,707)	(18,853)
Profit net of tax, representing total comprehensive income for the period		21,474	23,121	77,490	66,647
Profit and total comprehensive income for the period attributable to :					
Equity holders of the Company		21,474	23,121	77,490	66,647
Earnings per share attributable to owners of the parent (sen per share):					
- Basic and diluted	10	17.68	19.03	63.78	54.85

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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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2014 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2014	31 December 2013
	Note	RM'000	RM'000 (Audited)
Assets			
Non - current assets			
Property, plant and equipment	11	307,819	319,251
Intangible assets	12	1,129	1,156
Prepaid lease payments		14	17
Investment in associates		107,322	105,457
Investment in a joint venture (*)		1	-
Other receivables		2,315	2,879
Total non - current assets		<u>418,600</u>	<u>428,760</u>
Current assets			
Inventories	13	103,430	106,871
Trade and other receivables		78,566	79,653
Cash and cash equivalents	14	346,150	400,458
Tax recoverable		433	-
Total current assets		<u>528,579</u>	<u>586,982</u>
Total assets		<u><u>947,179</u></u>	<u><u>1,015,742</u></u>
Equity attributable to equity holders of the Company			
Share Capital		123,956	123,956
Reserves		694,553	775,004
Total equity		<u>818,509</u>	<u>898,960</u>
Liabilities			
Non - current liabilities			
Provision	16	852	534
Deferred tax liabilities		30,161	32,443
Total non - current liabilities		<u>31,013</u>	<u>32,977</u>
Current liabilities			
Provision	16	653	698
Income tax payable		8,685	2,639
Loans and borrowings	17	10,038	6,024
Trade and other payables		78,281	74,444
Total current liabilities		<u>97,657</u>	<u>83,805</u>
Total liabilities		<u>128,670</u>	<u>116,782</u>
Total equity and liabilities		<u><u>947,179</u></u>	<u><u>1,015,742</u></u>
Net Assets per Share (RM)		<u>6.60</u>	<u>7.25</u>
Net Tangible Assets per Share (RM)		<u>6.59</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.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	-	-	66,647	66,647
Final & Special dividend totalling 90 sen per share	-	-	-	-	-	(82,093)	(82,093)
Interim dividend totalling 32 sen per share	-	-	-	-	-	(29,181)	(29,181)
At 30 September 2013	123,956	133,946	398	(20,633)	115,347	555,134	908,148
At 1 January 2014	123,956	133,946	398	(20,633)	115,347	545,946	898,960
Net profit for the period	-	-	-	-	-	77,490	77,490
Final & Special dividend totalling 90 sen per share	-	-	-	-	-	(109,350)	(109,350)
Interim dividend totalling 40 sen per share	-	-	-	-	-	(48,591)	(48,591)
At 30 September 2014	123,956	133,946	398	(20,633)	115,347	465,495	818,509

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 THIRD QUARTER ENDED 30 SEPTEMBER 2014 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 Months ended	
	30 September 2014	30 September 2013
	RM'000	RM'000
Operating activities		
Profit before taxation	100,197	85,500
Adjustments for:		
Non-cash items		
Amortisation of prepaid lease payments	3	3
Amortisation of intangible assets	210	219
Depreciation of property, plant and equipment	33,591	32,813
Finance income	(9,914)	(10,639)
Finance cost	280	116
Inventories written off	525	-
Property, plant and equipment written off	178	312
Net gain on disposal of property, plant and equipment	(252)	(559)
Reversal of provision for restoration costs	(65)	-
Share of results of joint venture	(1)	-
Share of results of associates	(10,865)	(11,329)
Waiver of advances in joint venture	100	-
	13,790	10,936
Operating cash flows before changes in working capital	113,987	96,436
<u>Changes in working capital:</u>		
Change in inventories	2,916	(7,360)
Change in trade and other receivables	1,551	(13,959)
Change in trade and other payables	4,175	9,417
Total changes in working capital	8,642	(11,902)
Interest received	9,914	10,639
Interest paid	(280)	(116)
Income taxes paid	(19,376)	(20,100)
	(9,742)	(9,577)
Net cash flows from operating activities	112,887	74,957
Investing activities		
Purchase of property, plant and equipment	(23,040)	(29,088)
Net proceeds from disposal of property, plant and equipment	955	970
Dividend income	9,000	3,780
Decrease in other deposits not for short-term funding requirements	10,000	15,000
Purchase of intangible assets	(183)	(85)
Net cash flows used in investing activities	(3,268)	(9,423)
Financing activities		
Dividends Paid	(157,941)	(111,274)
Net proceeds from borrowings	4,014	2,657
Net cash flows used in financing activities	(153,927)	(108,617)
Net (decrease) in cash and cash equivalents	(44,308)	(43,083)
Cash & cash equivalents at 1 January	170,458	220,577
Cash & cash equivalents at 30 September (Note 14)	126,150	177,494

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
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 4 November 2014.

2. Accounting policies and methods of computation

These condensed consolidated interim financial statements, for the period ended 30 September 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 Group and 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.

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5. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 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
<u>30.9.2014</u>					
Segment revenue	405,861	124,287	3,736	-	533,884
Inter-segment revenue	(47,054)	-	(3,736)	-	(50,790)
Revenue from external customers	358,807	124,287	-	-	483,094
Segment profit/(loss)	89,304	50	(359)	(9,298)	79,697
Inter-segment elimination	(154)	154	-	-	-
	89,150	204	(359)	(9,298)	79,697
Segment profit/(loss)	89,304	50	(359)	(9,298)	79,697
Finance income	9,859	173	7	(125)	9,914
Finance cost	-	(405)	-	125	(280)
Share of profit from associates	-	-	-	10,865	10,865
Share of profit from joint venture	-	-	-	1	1
Profit/(loss) before tax	99,163	(182)	(352)	1,568	100,197
<u>30.9.2013</u>					
Segment revenue	354,533	123,538	4,116	-	482,187
Inter-segment revenue	(56,053)	-	(4,116)	-	(60,169)
Revenue from external customers	298,480	123,538	-	-	422,018
Segment profit/(loss)	67,562	219	(268)	(3,865)	63,648
Inter-segment elimination	(161)	161	-	-	-
	67,401	380	(268)	(3,865)	63,648
Segment profit/(loss)	67,562	219	(268)	(3,865)	63,648
Finance income	10,731	26	9	(127)	10,639
Finance cost	-	(243)	-	127	(116)
Share of profit of associates	-	-	-	11,329	11,329
Profit/(loss) before tax	78,293	2	(259)	7,464	85,500

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	30.9.2014	30.9.2013
	RM'000	RM'000
Malaysia	467,747	389,012
Outside Malaysia	15,347	33,006
	483,094	422,018

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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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:

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30 September 2014	30 September 2013	30 September 2014	30 September 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	3	3
Amortisation of intangible assets	12	72	74	210	219
Depreciation of property, plant and equipment	11	11,354	11,176	33,591	32,813
Waiver of advances in joint venture		-	-	100	-
Finance income		(3,107)	(3,341)	(9,914)	(10,639)
Finance cost		101	53	280	116
Net gain on disposal of property, plant and equipment		(73)	(27)	(252)	(559)
Inventories written off		-	-	525	-
Property, plant and equipment written off	11	86	270	178	312
(Gain)/Loss on foreign exchange - realised		(12)	(36)	(79)	(48)
Rental income		(157)	(170)	(465)	(493)

9. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(6,762)	(7,126)	(24,987)	(20,498)
- Prior year	32	349	28	337
	(6,730)	(6,777)	(24,959)	(20,161)
<u>Deferred tax</u>				
Origination and reversal of temporary differences	780	757	2,226	1,646
Under provision in respect of prior years	26	(338)	26	(338)
	(5,924)	(6,358)	(22,707)	(18,853)

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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10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 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	21,474	23,121	77,490	66,647
Less : 6% Preference Dividend	-	-	(20)	(20)
Proportion of profit attributable to preference shareholders	(58)	(62)	(209)	(180)
<hr/>				
Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share	21,416	23,059	77,261	66,447
<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 September	121,143	121,143	121,143	121,143
<hr/>				
Basic earnings per share (sen) for Profit for the period	17.68	19.03	63.78	54.85

(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	30 September	31 December
		2014	2013
		RM'000	RM'000
Net carrying amount:			
Balance at the beginning of year		319,251	334,481
Additions		23,040	33,089
Disposals		(703)	(3,618)
Less: Depreciation	8	(33,591)	(44,234)
Less: Written off	8	(178)	(467)
Balance at end of period/year		307,819	319,251

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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		183	-	183
At 30 September 2014		<u>3,830</u>	<u>389</u>	<u>4,219</u>
Accumulated amortisation and impairment:				
At 31 December 2013 and 1 January 2014		2,880	-	2,880
Amortisation	8	210	-	210
At 30 September 2014		<u>3,090</u>	<u>-</u>	<u>3,090</u>
Net carrying amount:				
At 31 December 2013		<u>767</u>	<u>389</u>	<u>1,156</u>
At 30 September 2014		<u>740</u>	<u>389</u>	<u>1,129</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 ninth months ended 30 September 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 September 2014 RM'000	31 December 2013 RM'000
Cash and cash equivalents comprise:		
Cash at bank and in hand	31,740	17,417
Deposits with licensed banks	314,410	383,041
	<u>346,150</u>	<u>400,458</u>

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the financial period:

	30 September 2014 RM'000	31 December 2013 RM'000
Total cash and bank balances	346,150	400,458
Less: Other deposits not for short-term funding requirements	(220,000)	(230,000)
	<u>126,150</u>	<u>170,458</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.

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16. Provision

	30 September 2014	31 December 2013
	RM'000	RM'000
Balance at the beginning of year	1,232	1,272
Arose during the period and year	286	305
Unwinding of discount	53	26
Reversal of provision	(66)	(371)
Balance at end of period/year	<u>1,505</u>	<u>1,232</u>

At 30 September

Current	653	698
Non-current:		
Later than 1 year but not later than 2 years	852	534
	<u>1,505</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 September 2014	31 December 2013
	RM'000	RM'000
Bankers' Acceptances (unsecured)	<u>10,038</u>	<u>6,024</u>

18. Dividends

Since the end of the previous financial year, the Company paid a final dividend totalling RM109.029 million on 28 May 2014, 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.

On 9 September 2014, the Company paid an interim dividend comprising single-tier dividend of 40 sen on the ordinary shares totalling RM48.457 million; and single-tier dividend of 40 sen per share on the 6% Cumulative Participating Preference Shares totalling RM134,000 in respect of the financial year ending 31 December 2014.

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19. Commitments

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

	30 September 2014	31 December 2013
	RM'000	RM'000
<u>Property, plant & equipment</u>		
- Approved and contracted for	14,767	11,129
- Approved but not contracted for	8,171	9,565
	<u>22,938</u>	<u>20,694</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

The Group achieved higher net revenue of RM149 million for the current quarter as compared to RM144 million in the previous year's corresponding quarter mainly due to higher demand for cement in the domestic market. However, despite the increase in net revenue, the Group's profit after tax of RM21.5 million for the current quarter was lower than RM23.1 million achieved in the previous year's corresponding quarter mainly due to lower profit margins from the cement segment arising from intense price competition in the market. Lower sales volume from the concrete segment, lower share of profit from the Group's associated company and lower interest income during the current quarter also affected the current quarter's profit for the Group.

The cement segment achieved lower operating profit of RM18.0 million for the current quarter compared with RM22.1 million in the previous year's corresponding quarter. This was mainly due to lower net pricing from the domestic market following the intense price competition among the cement manufacturers coupled with higher production cost from the plant's scheduled maintenance during the current quarter.

The concrete segment recorded an operating profit of RM79,000 in the current quarter compared with a loss of RM317,000 in the previous year's corresponding quarter mainly due to improved pricing of ready-mixed concrete despite lower sales volume.

The Group's interest income of RM3.1 million for the current quarter was RM234,000 lower compared to the previous year's corresponding quarter mainly due to lower amount placed on time deposits.

Share of profit from the Group's associated companies during the current quarter decreased to RM4.0 million from the previous year's corresponding quarter of RM4.2 million was mainly due to higher costs of sales from more purchase of bulk cement to supplement the lower cement production from its own plant.

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

The Group's total net revenue of RM483 million for the current period to date was RM61 million higher than the previous year's corresponding period mainly due to higher demand for cement in the domestic market and better pricing in both sales of cement and ready-mixed concrete. As a result, the Group's profit after tax for the current period increased RM10.9 million to RM77.5 million from the previous year's corresponding period of RM66.6 million. However, lower sales volume of ready-mixed concrete, lower share of profit from the Group's associated company and lower interest income for the third quarter have partially affected the Group's profit for the current period to date.

The cement segment's operating profit of RM75.3 million for the current period to date was RM12.7 million higher than the previous year's corresponding period mainly due to higher domestic demand and better pricing. However, the segment's results was partially affected by higher cost of production arising from higher electricity tariffs, transportation cost and higher repair and maintenance from the plant's scheduled maintenance in the first and third quarters.

The concrete segment on the other hand recorded a lower marginal operating loss of RM10,000 for the current period to date compared to a loss of RM65,000 in the previous year's corresponding period mainly due to improved pricing of ready-mixed concrete. However, the segment's results was partially affected by lower sales volume, higher production cost from the higher cost of raw materials and cartage.

The Group's interest income of RM9.9 million for the current period to date was RM725,000 lower compared to the previous year's corresponding period due to lower amount placed on time deposits.

Share of profit from the Group's associated company during the current period to date dropped to RM10.9 million from the previous year's corresponding period of RM11.3 million mainly due to higher production cost.

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

	Current quarter 30 September 2014 RM'000	Immediate preceding quarter 30 June 2014 RM'000
Revenue	148,680	171,502
Net profit before tax	23,390	37,313
Share of profit of associates and joint venture	4,008	3,240
Consolidated Profit before Tax	<u>27,398</u>	<u>40,553</u>

The Group's profit before tax for the current financial quarter decreased to RM27.4 million compared with RM40.6 million of the immediate preceding quarter mainly due to lower sales revenue from the cement segment caused by lower sales volume and lower net pricing from the domestic market. Higher production costs in the cement segment arising from plant's scheduled maintenance during the current financial quarter affected the cement segment's profitability.

The concrete segment on the other hand registered an improvement in performance with an operating profit of RM79,000 for the current financial quarter compared to an operating loss of RM7,000 in the immediate preceding quarter mainly due to improved pricing of ready-mixed concrete despite lower sales volume.

Share of profit from the Group's associated company during the current financial quarter was higher at RM4.0 million compared to the immediate preceding quarter of RM3.2 million.

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24. Commentary on prospects

The outlook for the construction sector for the fourth quarter of 2014 is expected to remain positive. The ongoing government's MRT projects and LRT line extension are expected to continue to lead the construction sector's growth for the fourth 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.

28. Dividends

A special interim single-tier dividend of 50 sen per share in conjunction with the Company's 50th Anniversary, (2013: single-tier 30 sen per share) on the Ordinary Shares and on the 6% Cumulative Participating Preference Shares has been declared and will be payable on 8 December 2014 to shareholders whose names appear in the Record of Depositors at the close of business on 19 November 2014.

Total interim dividend per share:

	Current quarter 30 September 2014	Preceding corresponding quarter 30 September 2013
Ordinary (single-tier)	50 sen	30.0 sen
Preference (single-tier)	50 sen	30.0 sen

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 19 November 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.

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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.

33. Realised and Unrealised Profit or (Losses) Disclosure

The breakdown of the retained profits of the Group as at 30 September 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 September 2014 RM'000	As at 31 December 2013 RM'000
Total retained profits of the Group :		
- Realised	407,445	491,808
- Unrealised	<u>(30,161)</u>	<u>(32,443)</u>
	377,284	459,365
Total share of realised retained profits from associate and jointly controlled entity		
- Realised	89,623	88,229
- Unrealised	<u>(2,691)</u>	<u>(3,165)</u>
	464,216	544,429
Add: consolidation adjustments	1,279	1,517
Retained profits as per consolidated accounts	<u><u>465,495</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

4 NOVEMBER 2014
KUALA LUMPUR, MALAYSIA