

## Quarterly rpt on consolidated results for the financial period ended 30 Sep 2016

### TASEK CORPORATION BERHAD

Financial Year End	31 Dec 2016
Quarter	3 Qtr
Quarterly report for the financial period ended	30 Sep 2016
The figures	have not been audited

#### Attachments

[Bursa 3Qtr2016 \(announcement\).pdf](#)  
185.1 kB

<b>Default Currency</b>	<b>Other Currency</b>
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Currency: **Malaysian Ringgit (MYR)**

#### SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	149,127	165,574	493,851	514,105
2 Profit/(loss) before tax	9,889	23,687	62,854	96,246
3 Profit/(loss) for the period	7,560	18,036	48,159	72,790
4 Profit/(loss) attributable to ordinary equity holders of the parent	7,560	18,036	48,195	72,790
5 Basic earnings/(loss) per share (Subunit)	6.22	14.85	39.66	59.91
6 Proposed/Declared dividend per share (Subunit)	0.00	20.00	30.00	60.00
	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 (\$\$)	5.3042	5.6996
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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

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**Announcement Info**

<b>Company Name</b>	TASEK CORPORATION BERHAD
<b>Stock Name</b>	TASEK
<b>Date Announced</b>	27 Oct 2016
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-28072016-00006

**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 30.9.2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2015 RM'000	CURRENT YEAR TODATE 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2015 RM'000
1 Revenue	149,127	165,574	493,851	514,105
2 Profit/(Loss) before tax	9,889	23,687	62,854	96,246
3 Profit/(Loss) for the period	7,560	18,036	48,195	72,790
4 Profit/(Loss) attributable to ordinary equity holders of the parents	7,560	18,036	48,195	72,790
5 Basic earnings/(loss) per share (sen)	6.22	14.85	39.66	59.91
6 Proposed/Declared dividend per share (sen)	-	20 sen	30 sen	60 sen
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
7 Net assets per share attributable to ordinary equity holders of the parent (RM)		5.3042		5.6996

**Part A3 : ADDITIONAL INFORMATION**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2015 RM'000	CURRENT YEAR TODATE 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2015 RM'000
1 Gross interest income	1,931	2,493	6,629	8,128
2 Gross interest expense	130	115	340	357

**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 2016 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		Current quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue		149,127	165,574	493,851	514,105
Cost of sales		(112,682)	(114,927)	(344,107)	(334,834)
<b>Gross Profit</b>		<u>36,445</u>	<u>50,647</u>	<u>149,744</u>	<u>179,271</u>
Other (expense)/income		160	402	577	1,666
Selling and Distribution Expenses		(24,076)	(24,773)	(77,698)	(78,354)
Administrative Expenses		(6,300)	(6,241)	(19,377)	(18,910)
<b>Operating profit</b>		<u>6,229</u>	<u>20,035</u>	<u>53,246</u>	<u>83,673</u>
Finance income	8	1,931	2,493	6,629	8,128
Finance costs	8	(130)	(115)	(340)	(357)
<b>Net finance income</b>		<u>1,801</u>	<u>2,378</u>	<u>6,289</u>	<u>7,771</u>
		<u>8,030</u>	<u>22,413</u>	<u>59,535</u>	<u>91,444</u>
Share of results of associates, net of tax		1,859	1,275	3,319	4,803
Share of results of joint venture, net of tax		-	(1)	-	(1)
		<u>1,859</u>	<u>1,274</u>	<u>3,319</u>	<u>4,802</u>
<b>Profit before tax</b>	8	<u>9,889</u>	<u>23,687</u>	<u>62,854</u>	<u>96,246</u>
Income tax expense	9	(2,329)	(5,651)	(14,659)	(23,456)
<b>Profit net of tax, representing total comprehensive income for the quarter/period ended</b>		<u>7,560</u>	<u>18,036</u>	<u>48,195</u>	<u>72,790</u>
<b>Profit and total comprehensive income for the quarter/period ended attributable to : Equity holders of the Company</b>		<u>7,560</u>	<u>18,036</u>	<u>48,195</u>	<u>72,790</u>
<b>Earnings per share attributable to equity holders of the Company (sen per share):</b>					
- Basic and diluted	10	<u>6.22</u>	<u>14.85</u>	<u>39.66</u>	<u>59.91</u>

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

**TASEK CORPORATION BERHAD**  
**(Company No: 4698-W)**  
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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS AT 30 SEPTEMBER 2016 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		30 September 2016 RM'000	31 December 2015 RM'000 (Audited)
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	11	267,718	291,793
Intangible assets	12	1,735	1,891
Prepaid lease payments		4	7
Investment in associates		85,593	100,274
Other receivables		1,447	2,204
<b>Total non - current assets</b>		<u>356,497</u>	<u>396,169</u>
<b>Current assets</b>			
Inventories	13	108,784	97,907
Trade and other receivables		115,879	108,958
Derivative assets	29	2	-
Tax recoverable		5,231	105
Cash and bank balances	14	188,673	242,263
<b>Total current assets</b>		<u>418,569</u>	<u>449,233</u>
<b>Total assets</b>		<u><u>775,066</u></u>	<u><u>845,402</u></u>
<b>Equity attributable to equity holders of the Company</b>			
Share Capital		123,956	123,956
Reserves		533,531	582,538
<b>Total equity</b>		<u>657,487</u>	<u>706,494</u>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Provision	16	910	889
Deferred tax liabilities		23,226	25,793
<b>Total non - current liabilities</b>		<u>24,136</u>	<u>26,682</u>
<b>Current liabilities</b>			
Provision	16	954	932
Income tax payable		149	787
Loans and borrowings	17	6,243	11,061
Trade and other payables		86,097	99,446
<b>Total current liabilities</b>		<u>93,443</u>	<u>112,226</u>
<b>Total liabilities</b>		<u>117,579</u>	<u>138,908</u>
<b>Total equity and liabilities</b>		<u><u>775,066</u></u>	<u><u>845,402</u></u>
Net Assets per Share (RM)		<u>5.30</u>	<u>5.70</u>
Net Tangible Assets per Share (RM)		<u>5.29</u>	<u>5.68</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 THIRD QUARTER ENDED 30 SEPTEMBER 2016 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company						
	Non - distributable				Distributable		Total
	Share Capital	Share Premium	Capital Redemption Reserve	Treasury Shares	General Reserve	Retained Profits	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2016	123,956	133,946	398	(20,633)	115,347	353,480	706,494
Net profit for the period	-	-	-	-	-	48,195	48,195
Final dividend totalling 50 sen per share in respect of the financial year ended 31 December 2015	-	-	-	-	-	(60,759)	(60,759)
First interim dividend totalling 30 sen per share in respect of the financial year ending 31 December 2016	-	-	-	-	-	(36,443)	(36,443)
At 30 September 2016	123,956	133,946	398	(20,633)	115,347	304,473	657,487
At 1 January 2015	123,956	133,946	398	(20,633)	115,347	432,309	785,323
Net profit for the period	-	-	-	-	-	72,790	72,790
Final & Special dividend totalling 80 sen per share in respect of the financial year ended 31 December 2014	-	-	-	-	-	(97,202)	(97,202)
First interim dividend totalling 40 sen per share in respect of the financial year ended 31 December 2015	-	-	-	-	-	(48,591)	(48,591)
At 30 September 2015	123,956	133,946	398	(20,633)	115,347	359,306	712,320

**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 THIRD QUARTER ENDED 30 SEPTEMBER 2016 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 Months ended</b>	
	<b>30 September 2016</b>	<b>30 September 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Operating activities</u></b>		
Profit before taxation	62,854	96,246
<b><u>Adjustments for:</u></b>		
Allowance for obsolete stock	238	-
Amortisation of intangible assets	350	246
Amortisation of prepaid lease payments	3	4
Depreciation of property, plant and equipment	36,469	35,809
Finance cost	340	357
Finance income	(6,629)	(8,128)
Impairment loss on receivables	-	228
Net fair value gain on derivatives	(2)	(158)
Net gain on disposal of property, plant and equipment	(3)	(181)
Property, plant and equipment written off	148	131
Reversal of provision for restoration costs	-	(40)
Share of results of associates	(3,319)	(4,803)
Share of results of joint venture entity	-	1
	<u>27,595</u>	<u>23,466</u>
<b>Operating cash flows before changes in working capital</b>	<b>90,449</b>	<b>119,712</b>
<b><u>Changes in working capital:</u></b>		
Change in inventories	(11,115)	2,984
Change in trade and other receivables	(6,164)	(12,835)
Change in trade and other payables	(13,306)	2,751
Total changes in working capital	<u>(30,585)</u>	<u>(7,100)</u>
Interest received	6,629	8,128
Interest paid	(340)	(357)
Income taxes paid	(22,990)	(24,297)
	<u>(16,701)</u>	<u>(16,526)</u>
<b>Net cash flows from operating activities</b>	<b>43,163</b>	<b>96,086</b>
<b><u>Investing activities</u></b>		
Purchase of property, plant and equipment	(12,542)	(25,975)
Net proceeds from disposal of property, plant and equipment	3	716
Dividend income	18,000	15,000
Withdrawal of short term deposits more than three months	5,000	-
Purchase of intangible assets	(194)	(213)
<b>Net cash flows generated from/(used in) investing activities</b>	<b>10,267</b>	<b>(10,472)</b>
<b><u>Financing activities</u></b>		
Dividends paid	(97,202)	(145,793)
Net repayments from loans & borrowings	(4,818)	(4,587)
<b>Net cash flows used in financing activities</b>	<b>(102,020)</b>	<b>(150,380)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(48,590)</b>	<b>(64,766)</b>
<b>Cash &amp; cash equivalents at 1 January</b>	<b>167,263</b>	<b>208,820</b>
<b>Cash &amp; cash equivalents at 30 September</b> (Note 14)	<b>118,673</b>	<b>144,054</b>

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 THIRD QUARTER ENDED 30 SEPTEMBER 2016 - 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 27 October 2016.

**2. Accounting policies and methods of computation**

These condensed consolidated interim financial statements, for the period ended 30 September 2016, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Board 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 2015, 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 2015 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 consolidated financial statements as at and for the year ended 31 December 2015.

**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 2016 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 2016, the Group adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 January 2016:

<b>Description</b>	<b>Effective for annual financial periods beginning on or after</b>
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 - 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.

	<b>Effective for annual financial periods beginning on or after</b>
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 16 Leases	1 January 2019
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to MFRS 112)	1 January 2017
Disclosure Initiative (Amendments to MFRS 107)	1 January 2017
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 30 September 2016.

**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>30.9.2016</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	391,995	170,569	1,907	-	564,471
Inter-segment revenue	(68,713)	-	(1,907)	-	(70,620)
Revenue from external customers	<u>323,282</u>	<u>170,569</u>	<u>-</u>	<u>-</u>	<u>493,851</u>
Segment profit/(loss)	67,763	5,196	(553)	(19,160)	53,246
Inter-segment elimination	(1,057)	899	158	-	-
	<u>66,706</u>	<u>6,095</u>	<u>(395)</u>	<u>(19,160)</u>	<u>53,246</u>
Segment profit/(loss)	67,763	5,196	(553)	(19,160)	53,246
Finance income	6,470	240	-	(81)	6,629
Finance cost	-	(421)	-	81	(340)
Share of profit from associates	-	-	-	3,319	3,319
Profit/(loss) before tax	<u>74,233</u>	<u>5,015</u>	<u>(553)</u>	<u>(15,841)</u>	<u>62,854</u>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 - UNAUDITED**

<u>30.9.2015</u>	Cement RM'000	Ready-mixed Concrete RM'000	All other segments RM'000	Adjustment and Elimination RM'000	Total RM'000
Segment revenue	409,778	176,726	56	-	586,560
Inter-segment revenue	(72,399)	-	(56)	-	(72,455)
Revenue from external customers	337,379	176,726	-	-	514,105
Segment profit/(loss)	94,492	4,790	(919)	(14,690)	83,673
Inter-segment elimination	(1,077)	922	155	-	-
	93,415	5,712	(764)	(14,690)	83,673
Segment profit/(loss)	94,492	4,790	(919)	(14,690)	83,673
Finance income	7,972	330	3	(177)	8,128
Finance cost	-	(534)	-	177	(357)
Share of profit of associates	-	-	-	4,803	4,803
Share of profit in joint venture	-	-	-	(1)	(1)
Profit/(loss) before tax	102,464	4,586	(916)	(9,888)	96,246

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	30.9.2016 RM'000	30.9.2015 RM'000
Malaysia	493,851	508,804
Outside Malaysia	-	5,301
	493,851	514,105

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

**7. Seasonal or cyclical factors**

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

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 - UNAUDITED**

**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 2016	30 September 2015	30 September 2016	30 September 2015
		RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):					
Amortisation of prepaid lease payments		1	2	3	4
Amortisation of intangible assets	12	121	85	350	246
Depreciation of property, plant and equipment	11	12,073	12,073	36,469	35,809
Allowance for obsolete stock		-	-	238	-
Finance income		(1,931)	(2,493)	(6,629)	(8,128)
Finance cost		130	115	340	357
Net (gain)/loss on disposal of property, plant and equipment		(3)	9	(3)	(181)
Impairment loss on receivables		-	228	-	228
Property, plant and equipment written off	11	4	56	148	131
Net gain on foreign exchange - realised		(1)	(159)	-	(192)
Net fair value gain on derivatives		(16)	(128)	(2)	(158)
Reversal of provision for restoration costs	16	-	17	-	(40)
Rental income		(150)	(97)	(554)	(545)

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 9 months ended	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(3,323)	(6,158)	(17,484)	(25,295)
- Prior year	-	248	261	248
	(3,323)	(5,910)	(17,223)	(25,047)
<u>Deferred tax</u>				
Origination of temporary differences	1,117	189	2,337	1,699
(Under)/Over provision in respect of prior years	(123)	70	227	(108)
	(2,329)	(5,651)	(14,659)	(23,456)

The Group's effective tax rate for the current quarter is above the statutory tax rate of 24% (2015: 25%) in Malaysia mainly due to non tax-deductible expenses.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 - UNAUDITED**

**10. Earnings per share**

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
	RM'000	RM'000	RM'000	RM'000
<u>(I) Basic earnings per share</u>				
Profit net of tax attributable to equity holders of the Company	7,560	18,036	48,195	72,790
Less : 6% Preference Dividend	-	-	(20)	(20)
Proportion of profit attributable to preference shareholders	(20)	(49)	(130)	(197)
<b>Profit net of tax attributable to equity holders of the Company used in the computation of basic earnings per share</b>	<b>7,540</b>	<b>17,987</b>	<b>48,045</b>	<b>72,573</b>
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)	-	-	-	-
<b>Weighted average number of ordinary shares in issue at 30 September ('000)</b>	<b>121,143</b>	<b>121,143</b>	<b>121,143</b>	<b>121,143</b>
<b>Basic earnings per share (sen) for Profit for the period</b>	<b>6.22</b>	<b>14.85</b>	<b>39.66</b>	<b>59.91</b>

(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 2016	31 December 2015
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year		291,793	306,688
Additions		12,542	34,703
Disposals		-	(798)
Less: Depreciation	8	(36,469)	(48,340)
Less: Written off	8	(148)	(460)
<b>Balance at end of period/year</b>		<b>267,718</b>	<b>291,793</b>

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**12. Intangible assets**

	Note	30 September 2016	31 December 2015
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year		1,891	1,181
Additions		194	1,074
Less: Amortisation	8	(350)	(364)
Balance at end of period/year		<u>1,735</u>	<u>1,891</u>

**13. Inventories**

During the nine months ended 30 September 2016, 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 September 2016	31 December 2015
	RM'000	RM'000
Cash at banks and on hand	26,613	41,743
Short term deposits with licensed banks	162,060	200,520
Cash and cash equivalents	188,673	242,263
Less: Short-term deposits more than three months	(70,000)	(75,000)
	<u>118,673</u>	<u>167,263</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**

	Note	30 September 2016	31 December 2015
		RM'000	RM'000
Balance at the beginning of year		1,821	1,648
Arose during the period and year		-	194
Unwinding of discount		47	25
Reversal of provision	8	-	(6)
Payments during the period/year		(4)	(40)
Balance at end of period/year		<u>1,864</u>	<u>1,821</u>

**At 30 September 2016**

Current	954	932
Non-current:		
Later than 1 year but not later than 5 years	910	889
	<u>1,864</u>	<u>1,821</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.

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**17. Group borrowings and debts securities**

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

	30 September 2016	31 December 2015
	RM'000	RM'000
Bankers' Acceptances (unsecured)	6,243	11,061

**18. Dividends**

Since the end of the previous financial year, the Company paid a final dividend totalling RM60.571 million on 30 May 2016, comprising single-tier final dividend of 50 sen per share on the ordinary shares and single-tier dividends totalling RM187,600 comprising preference dividend of 6 sen per share and single-tier final dividend of 50 sen per share on the 6% Cumulative Participating Preference Shares in respect of the financial year ended 31 December 2015.

On 9 September 2016, the Company paid a first interim dividend comprising single-tier dividend of 30 sen on the ordinary shares totalling RM36.343 million and single-tier dividend of 30 sen per share on the 6% Cumulative Participating Preference Shares totalling RM100,500 in respect of the financial year ending 31 December 2016.

**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 2016	30 September 2015
	RM'000	RM'000
<u>Property, plant &amp; equipment</u>		
- Approved and contracted for	5,887	9,211
- Approved but not contracted for	11,426	5,537
	<u>17,313</u>	<u>14,748</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.

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**22. Review of performance**

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

The Group's total net revenue of RM149.1 million for the current quarter was lower by RM16.5 million than the previous year's corresponding quarter of RM165.6 million mainly due to lower average net pricing from the continuous intensive price competition in the domestic market for both cement and ready-mixed concrete segments. Hence, the Group's profit after tax of RM7.6 million for the current quarter was lower than the previous year's corresponding quarter profit after tax of RM18.0 million. Higher cement production costs arising from plant maintenance during the current quarter and lower interest income further resulted in the lower profit after tax. However, the Group's associated company contributed a higher share of profit for the current quarter.

The cement segment registered a lower operating profit of RM3.6 million for the current quarter compared with the previous year's corresponding quarter of RM17.4 million mainly due to the prolong intensive price competition in the domestic market which resulted in lower net cement pricing. In addition, the plant's scheduled maintenance during the current quarter also affected the production cost.

The ready-mixed concrete segment recorded a higher operating profit of RM2.26 million for the current quarter compared with the previous year's corresponding quarter of RM1.97 million with a lower net revenue of RM55.2 million compared with the previous year's corresponding quarter of RM62.2 million. Despite lower sales volume due to slowdown in some projects in the Klang Valley and intensive price competition, the segment contributed higher margins arising from lower cost of raw materials and cartage expenses.

The Group's interest income of RM1.9 million for the current quarter was lower compared with RM2.5 million in the previous year's corresponding quarter due to lesser amount of funds placed on term deposits.

Share of profit from the Group's associated company during the current quarter increased to RM1.86 million from the previous year's corresponding quarter of RM1.28 million mainly due to lower costs of production.

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

The Group's total net revenue for the current period to date of RM493.9 million was lower by RM20.2 million than the revenue for the previous corresponding period to date of previous year. This was mainly due to the continuous intensive price competition in the domestic market resulting in lower average net pricing for the cement and ready-mixed concrete segment affecting the Group's profit after tax of RM48.2 million in the current period to date which was lower by RM24.6 million than the profit after tax for the previous year's corresponding period to date. Lower interest income and lower share of profits from the Group's associated company for the current period to date also affected the performance of the Group.

Cement segment's net revenue for the current period to date of RM392.0 million which was lower by RM17.8 million than the corresponding period to date of previous year despite increase in sales volume, was mainly due to the intensive price competition in the domestic market that impacted the segment's average net pricing. As a result, the segment's operating profit for the current period to date decreased to RM47.2 million from RM77.0 million in the corresponding period to date of previous year.

Ready-mixed concrete segment recorded a higher operating profit of RM5.2 million for the current period to date on net revenue of RM170.6 million compared with the corresponding period to date of previous year's operating profit of RM4.5 million on net revenue of RM176.7 million mainly due to lower cost of raw materials and cartage expenses.

The Group's interest income of RM6.6 million for the current period to date was lower by RM1.5 million than the corresponding period of previous year due to lesser amount of funds placed on short term deposits.

Share of profits from the Group's associated company for the current period to date decreased to RM3.3 million from the corresponding period to date of previous year's RM4.8 million mainly due to lower cement sales and increased in cost of imported raw materials arising from a weaker Ringgit.

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

	Current quarter 30 September 2016 RM'000	Immediate preceding quarter 30 June 2016 RM'000
Revenue	149,127	173,743
Net profit before tax	8,030	22,297
Share of profit of associates	1,859	1,045
Consolidated profit before tax	9,889	23,342

The Group's net revenue of RM149.1 million for the current reporting quarter was lower compared with RM173.7 million recorded in the immediate preceding quarter mainly due to lower sales by both the cement and ready-mixed concrete segments. This was due to the lower average net pricing from the intensive price competition and shorter business cycle during the current financial quarter. Hence, the Group's profit before tax of RM9.9 million for the current financial quarter was lower by RM13.4 million compared with RM23.3 million of the immediate preceding quarter. Higher costs of production in the cement segment arising from plant maintenance during the current financial quarter and lower interest income also affected the Group's current financial quarter's profit. However, higher share of profit from the Group's associated company for the current financial quarter contributed marginally to the cement segment's profit.

**24. Commentary on prospects**

The outlook for the domestic construction sector for the fourth quarter of 2016 is expected to remain positive. The Government's new infrastructure projects namely the MRT 2, LRT 3 and prospective expressways in the Klang Valley which have been awarded progressively will benefit the construction sector. Other mega projects in the Klang Valley such as the Bukit Bintang City Center (BBCC), KL118, TRX and Bandar Malaysia are expected to sustain the momentum of the construction sector's growth. However, intensive price competition in the domestic market for both the cement and ready-mixed concrete if continued is expected to affect the Group's results.

**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.



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**28. Dividends**

No interim dividend has been declared for the current quarter ended 30 September 2016 (3rd Quarter of 2015 : 20 sen).

**29. Derivative financial instruments**

The outstanding forward foreign currency exchange contracts as at 30 September 2016 are as follows:

<u>Type of Derivatives</u>	<b>Note</b>	Contract	Fair value	
		value	Assets	Liabilities
		RM'000	RM'000	RM'000
Foreign Exchange Contracts				
- Less than 1 year	<b>34</b>	112	2	-

Forward foreign currency exchange contracts are entered into with licensed banks to hedge the Group's exposure to foreign exchange risk in respect of imported purchases by establishing the rate at which foreign currency assets will be settled.

These contracts are executed with credit-worthy/reputable financial institutions in Malaysia and as such, credit risk and liquidity risk in respect of non-performance by counterparties to these contracts is minimal.

The fair value of the forward foreign currency exchange contracts are subject to market risk. The fair value of the forward contracts may decline if the exchange rate of the underlying currency decreases.

There are no cash requirements for these derivatives.

Forward foreign currency exchange contracts are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

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**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 (3rd Quarter of 2015 : Nil).

**31. Sales of unquoted investments and properties.**

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

**32. Purchases and sales of quoted securities**

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

**33. Realised and Unrealised Profit or (Losses) Disclosure**

The breakdown of the retained profits of the Group as at 30 September 2016 and 31 December 2015 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 2016 RM'000	As at 31 December 2015 RM'000
Total retained profits of the Group :		
- Realised	267,923	297,743
- Unrealised	(23,226)	(25,793)
	<u>244,697</u>	<u>271,950</u>
Total share of retained profits from associate and jointly controlled entity :		
- Realised	68,376	83,101
- Unrealised	(3,175)	(3,219)
	<u>309,899</u>	<u>351,832</u>
Add: consolidation adjustments	(5,425)	1,648
Retained profits as per consolidated accounts	<u><u>304,473</u></u>	<u><u>353,480</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 held the following financial assets that are measured at fair value:

	Level 2 30 September 2016 RM'000	Level 2 31 December 2015 RM'000
<b>Note</b>		
Foreign Exchange Contracts	<u>2</u>	<u>-</u>

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**35. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2015 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN  
COMPANY SECRETARY

27 OCTOBER 2016  
KUALA LUMPUR, MALAYSIA