

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

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

Summary of Key Financial Information for the financial 3-month period ended 31.3.2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2011 RM'000	CURRENT YEAR TODATE 31/3/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2011 RM'000
1 Revenue	150,632	126,385	150,632	126,385
2 Profit/(Loss) before tax	32,375	29,891	32,375	29,891
3 Profit/(Loss) for the period	24,893	23,400	24,893	23,400
4 Profit/(Loss) attributable to ordinary equity holders of the parents	24,893	23,400	24,893	23,400
5 Basic earnings/(loss) per share (sen)	20.44	18.86	20.44	18.86
6 Proposed/Declared dividend per share (sen)	-	-	-	-
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
	7.9553		7.9210	

Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2011 RM'000	CURRENT YEAR TODATE 31/3/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2011 RM'000
1 Gross interest income	4,010	3,072	4,010	3,072
2 Gross interest expense	36	37	36	37

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2012 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Continuing operations					
Revenue		150,632	126,385	150,632	126,385
Cost of sales		(100,115)	(80,858)	(100,115)	(80,858)
Gross Profit		<u>50,517</u>	<u>45,527</u>	<u>50,517</u>	<u>45,527</u>
Other income		207	-	207	-
Selling and Distribution Expenses		(20,357)	(18,269)	(20,357)	(18,269)
Administrative Expenses		(4,971)	(4,409)	(4,971)	(4,409)
Other expenses		-	(278)	-	(278)
Operating profit		<u>25,396</u>	<u>22,571</u>	<u>25,396</u>	<u>22,571</u>
Finance income	8	4,010	3,072	4,010	3,072
Finance costs	8	(36)	(37)	(36)	(37)
Net finance income		<u>3,974</u>	<u>3,035</u>	<u>3,974</u>	<u>3,035</u>
		<u>29,370</u>	<u>25,606</u>	<u>29,370</u>	<u>25,606</u>
Share of profit of associates, net of tax		3,005	4,236	3,005	4,236
Share of profit equity accounted in joint venture, net of tax		-	49	-	49
		<u>3,005</u>	<u>4,285</u>	<u>3,005</u>	<u>4,285</u>
Profit before tax	8	<u>32,375</u>	<u>29,891</u>	<u>32,375</u>	<u>29,891</u>
Income tax expense	9	(7,482)	(6,491)	(7,482)	(6,491)
Profit from continuing operations		<u>24,893</u>	<u>23,400</u>	<u>24,893</u>	<u>23,400</u>
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		<u>24,893</u>	<u>23,400</u>	<u>24,893</u>	<u>23,400</u>
Profit for the period attributable to :					
Owners of the parent		24,893	23,400	24,893	23,400
Non-controlling interests		-	-	-	-
Profit for the period		<u>24,893</u>	<u>23,400</u>	<u>24,893</u>	<u>23,400</u>
Earnings per share attributable to owners of the parent (sen per share):					
- Basic from continuing operations	10	<u>20.44</u>	<u>18.86</u>	<u>20.44</u>	<u>18.86</u>
- Diluted	10	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

The Condensed Consolidated Statements 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 31 MARCH 2012 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 March 2012 RM'000	31 December 2011 RM'000 (restated)	1 January 2011 RM'000 (restated)
Assets				
Non - current assets				
Property, plant and equipment	11	342,189	348,886	350,861
Intangible assets	12	1,028	865	509
Goodwill on consolidation		389	389	389
Prepaid lease payments		26	27	32
Investment in associates		93,798	90,793	78,097
Investment in a joint venture		55	55	6
Other receivables		1,130	1,072	-
Total non - current assets		<u>438,615</u>	<u>442,087</u>	<u>429,894</u>
Current assets				
Inventories	13	83,675	89,164	115,222
Trade and other receivables		85,780	84,942	86,651
Derivatives		13	-	61
Cash and cash equivalents	14	495,949	494,529	436,904
Tax recoverable		569	583	349
Assets classified as held for sale		-	-	174
Total current assets		<u>665,986</u>	<u>669,218</u>	<u>639,361</u>
Total assets		<u>1,104,601</u>	<u>1,111,305</u>	<u>1,069,255</u>
Equity				
Share Capital	15	123,956	123,956	123,956
Reserves	15	862,156	857,896	847,809
Equity attributable to equity holders of the Company		986,112	981,852	971,765
Non-controlling interests		-	-	-
Total equity		<u>986,112</u>	<u>981,852</u>	<u>971,765</u>
Liabilities				
Non - current liabilities				
Provisions	16	1,134	998	908
Deferred tax liabilities		35,029	34,940	28,516
Total non - current liabilities		<u>36,163</u>	<u>35,938</u>	<u>29,424</u>
Current liabilities				
Provision	16	336	534	210
Income tax payable		8,381	7,019	2,117
Loans and borrowings	17	7,234	6,195	4,127
Trade and other payables		66,375	79,767	61,612
Total current liabilities		<u>82,326</u>	<u>93,515</u>	<u>68,066</u>
Total liabilities		<u>118,489</u>	<u>129,453</u>	<u>97,490</u>
Total equity and liabilities		<u>1,104,601</u>	<u>1,111,305</u>	<u>1,069,255</u>
Net Assets per Share (RM)		<u>7.96</u>	<u>7.92</u>	<u>7.84</u>
Net Tangible Assets per Share (RM)		<u>7.94</u>	<u>7.91</u>	<u>7.83</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 THREE-MONTH PERIOD ENDED 31 MARCH 2012 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to equity holders of the Company						
		Non - distributable			Distributable			
		Share capital	Share Premium	Capital Redemption Reserve	Treasury Shares	General Reserve	Retained Profits	Total
Note		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	At 1 January 2011 (as previously stated)	123,956	133,946	398	-	115,347	562,423	936,070
	Adjustment arising from reclassification of non current assets held for sale	-	-	-	-	-	35,695	35,695
	Opening balance at 1 January 2011 (restated)	123,956	133,946	398	-	115,347	598,118	971,765
	Net profit for the period	-	-	-	-	-	23,400	23,400
	Balance at 31 March 2011	123,956	133,946	398	-	115,347	621,518	995,165
	At 1 January 2012	123,956	133,946	398	-	115,347	608,205	981,852
	Net profit for the year	-	-	-	-	-	24,893	24,893
	Shares buy back				(20,633)			(20,633)
15	Balance at 31 March 2012	123,956	133,946	398	(20,633)	115,347	633,098	986,112

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 STATEMENT OF CASH FLOWS

	3 Months ended	
	31 March 2012	31 March 2011
	RM'000	RM'000
Operating activities		
Profit before taxation	32,375	29,891
Adjustments for:		
Non-cash items		
Amortisation of prepaid lease payments	1	1
Amortisation of intangible assets	65	43
Depreciation of property, plant and equipment	10,778	10,494
Finance income	(4,078)	(3,072)
Finance cost	36	37
Net fair value gain on derivatives	13	-
Property, plant and equipment written off	1	295
Gain on disposal of property, plant and equipment	-	220
Share of results of joint venture	-	(49)
Share of results of associates	(3,005)	(4,236)
	3,811	3,733
Operating cash flows before changes in working capital	36,186	33,624
<u>Changes in working capital:</u>		
Change in inventories	5,489	1,556
Change in trade and other receivables	(984)	4,291
Change in trade and other payables	(13,392)	(8,831)
Total changes in working capital	(8,887)	(2,984)
Interest received	4,078	3,072
Interest paid	(36)	(37)
Income taxes paid	(6,017)	(3,068)
	(1,975)	(33)
Net cash flows from operating activities	25,324	30,607
Investing activities		
Purchase of property, plant and equipment	(4,082)	(6,813)
Purchase of intangible assets	(228)	-
Net cash flows used in investing activities	(4,310)	(6,813)
Financing activities		
Purchase of treasury shares	(20,633)	-
Net proceeds from borrowings	1,039	1,684
Net cash flows (used in)/from financing activities	(19,594)	1,684
Net increase in cash and cash equivalents	1,420	25,478
Cash & cash equivalents at 1 January	494,529	436,904
Cash & cash equivalents at 31 March	495,949	462,382

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2012 - UNAUDITED

1. Corporate information

Tasek Corporation Berhad is public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements were approved by the Board of Directors on 30 April 2012.

2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 31 March 2012, 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 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Company registered office at 6th Floor, Office Block, Grand Millennium Kuala Lumpur, 160 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 3 below. These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

3. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain lands and buildings at revalued amount but had not adopted a policy of revaluation and continued to carry those land and buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 *Property, Plant and Equipment*. At the date of transition to MFRS, the Group elected to:

- regard the revalued amounts of the buildings as at 30 June 1985 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The revaluation surplus of RM3,059,000 (31 March 2011: RM3,059,000; 31 December 2011: RM3,059,000) was transferred to retained earnings on date of transition to MFRS.
- regard fair value of freehold land at date of transition as its deemed cost at that date. As at that date, the revaluation surplus of RM1,520,000 (31 March 2011: RM1,520,000; 31 December 2011: RM1,520,000) was transferred to retained earnings on date of transition to MFRS.
- regard the revalued amount of the leasehold land at date of transition as its deemed cost at that date. As at that date, the revaluation surplus of RM6,620,000 (31 March 2011: RM6,620,000; 31 December 2011: RM6,620,000) was transferred to retained earnings on date of transition to MFRS.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The impact arising from the change is summarised as follows:

	1 January 2011	31 March 2012	31 December 2011
	RM'000	RM'000	RM'000
Consolidated statement of financial position			
Reclassification of revaluation reserve to retained earnings	11,199	11,199	11,199
Adjustment to retained earnings	11,199	11,199	11,199

(b) Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2011.

The reconciliations of equity and the total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided in Note 34.

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.

5. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 March 2012.

6. Segmental information

The segment information provided to the chief operating decision maker for the current financial year 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
31.3.2012					
Segment revenue	124,857	47,806	365	-	173,028
Inter-segment revenue	(22,031)	-	(365)	-	(22,396)
Revenue from external customers	102,826	47,806	-	-	150,632
Segment profit	25,208	319	(4)	(127)	25,396
Inter-segment rental elimination	51	(51)	-	-	-
	25,259	268	(4)	(127)	25,396
Segment profit	25,259	268	(4)	(127)	25,396
Finance income	4,073	5	-	(68)	4,010
Finance cost	-	(104)	-	68	(36)
Share of profit from Associates	3,005	-	-	-	3,005
Share of profit from joint venture	-	-	-	-	-
Profit before tax	32,337	169	(4)	(127)	32,375
31.3.2011					
Segment revenue	103,625	41,177	-	-	144,802
Inter-segment revenue	(18,417)	-	-	-	(18,417)
Revenue from external customers	85,208	41,177	-	-	126,385
Segment profit	29,469	278	(7,152)	(24)	22,571
Inter-segment elimination	(7,003)	-	7,003	-	-
	22,466	278	(149)	(24)	22,571
Segment profit	22,466	278	(149)	(24)	22,571
Finance income	3,053	19	-	-	3,072
Finance cost	-	(37)	-	-	(37)
Share of profit of associates	4,236	-	-	-	4,236
Share of profit in joint venture	-	-	49	-	49
Profit before tax	29,755	260	(100)	(24)	29,891

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	31.3.2012	31.3.2011
	RM'000	RM'000
Malaysia	131,050	109,646
Outside Malaysia	19,582	16,739
	<u>150,632</u>	<u>126,385</u>

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

7. Seasonal or cyclical factors

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

The transition of FRSs and MFRSs has not had any impact in the reported revenue and profit before tax of the Group's segment for the 3 months ended 31 March 2012.

8. Profit before tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of prepaid lease payments	1	1	1	1
Amortisation of intangible assets	65	43	65	43
Depreciation of property, plant and equipment	10,778	10,494	10,778	10,494
Interest income	(4,010)	(3,072)	(4,078)	(3,072)
Interest expense	36	37	36	37
Loss on foreign exchange - realised	27	46	27	46
Net fair value gain on derivatives	13	-	13	-
Rental income	(291)	(283)	(291)	(283)

9. Taxation

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(7,436)	(4,874)	(7,436)	(4,874)
- Prior year	(33)	-	(33)	-
	<u>(7,469)</u>	<u>(4,874)</u>	<u>(7,469)</u>	<u>(4,874)</u>
<u>Deferred tax</u>				
Origination and reversal of temporary differences	(13)	(1,617)	(13)	(1,617)
Under/(Over) provision in respect of prior years	-	-	-	-
	<u>(7,482)</u>	<u>(6,491)</u>	<u>(7,482)</u>	<u>(6,491)</u>

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
(I) Basic earnings per share				
Profit net of tax attributable to owners of the parent	24,893	23,400	24,893	23,400
Less : 6% Preference Dividend	(20)	(20)	(20)	(20)
Proportion of profit attributable to preference shareholders	(67)	(63)	(67)	(63)
Profit net of tax from continuing operations attributable to owners of the parent used in the computation of basic earnings per share	24,806	23,317	24,806	23,317
Weighted average number of ordinary shares:				
Issued ordinary shares at 1 January ('000)	123,621	123,621	123,621	123,621
Effect of purchase of treasury shares ('000)	(2,272)	-	(2,272)	-
Weighted average number of ordinary shares at 31 March	121,349	123,621	121,349	123,621
Basic earnings per share (sen) for Profit from continuing operations	20.44	18.86	20.44	18.86

(II) Diluted earnings per share

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

11. Property, plant and equipment

	31 March 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Cost:			
Balance at the beginning of period/year	348,886	350,861	366,922
Additions	4,082	42,127	35,419
Disposals	-	(435)	(8,372)
Less: Depreciation (Note 8)	(10,778)	(43,196)	(43,051)
Less: Written off	(1)	(471)	(57)
Balance at end of period/year	342,189	348,886	350,861

12. Intangible assets

	Computer software	Goodwill	Total
	RM'000	RM'000	RM'000
Cost:			
At 1 January 2011	2,968	389	3,357
Additions	613	-	613
Write off	(24)	-	(24)
At 31 December 2011/1 January 2012	3,557	389	3,946
Write off	-	-	-
At 31 March 2012	3,785	389	4,174
Accumulated amortisation and impairment:			
At 1 January 2011	2,459	-	2,459
Amortisation	257	-	257
Write off	(24)	-	(24)
At 31 December 2011/1 January 2012	2,692	-	2,692
Write off	-	-	-
At 31 March 2012	2,757	-	2,757
Net carrying amount:			
At 1 January 2011	509	389	898
At 31 December 2011	865	389	1,254
At 31 March 2012	1,028	389	1,417

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-mix concrete industry. No impairment loss is recognised during the period/year as the recoverable amount is higher than the carrying amount.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

13. Inventories

During the three months ended 31 March 2012, 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 cash equivalents

	31 March 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Cash at bank and in hand	20,509	24,974	24,887
Short term deposits	475,440	469,555	412,017
Total cash and cash equivalents	<u>495,949</u>	<u>494,529</u>	<u>436,904</u>

15. Share Capital, share premium and treasury shares

Treasury shares

At the Annual General Meeting (AGM) of the Company held on 25 April 2011, the shareholders of the Company had renewed the share buy-back mandate for the Company to purchase up to 10% of the ordinary issued and paid-up share capital of the Company. The mandate will expire at the next AGM.

During the 3 months ended 31 March 2012, the Company bought back 2,478,300 of its ordinary shares of RM1.00 each from the open market at an average price of approximately RM8.33 per share for a total consideration of RM20.633 million.

The above shares bought back were financed by internally generated funds. The shares were retained as treasury shares in accordance with Section 67A of the Companies Act, 1965.

16. Provisions

	31 March 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
At 1 January	1,532	1,118	-
Arose during the year	236	354	1,051
Unwinding of discount	20	60	67
Reversal of provision	(318)	-	-
At 31 December	<u>1,470</u>	<u>1,532</u>	<u>1,118</u>

At 31 March/31 December

Current	336	534	210
Non-current:			
Later than 1 year but not later than 2 years	840	823	509
Later than 2 year but not later than 5 years	294	175	399
	<u>1,134</u>	<u>998</u>	<u>908</u>
	<u>1,470</u>	<u>1,532</u>	<u>1,118</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 plants from the site and the cost of restoring the land to its original state were based on the management's best estimates.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

17. Group borrowings and debts securities

Total Group's short term borrowing (denominated in local currency) as at 31 March 2012 is as follows:

	31 March 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Bankers' Acceptances (unsecured)	7,234	6,195	4,127

18. Dividends

No dividend was paid during the current quarter (2011: 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 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
<u>Property, plant & equipment</u>			
- Contracted but not provided for and payable	11,034	11,289	4,078
- Authorised but not contracted for	8,746	4,454	5,835
	<u>19,780</u>	<u>15,743</u>	<u>9,913</u>

20. Contingencies

The contingent liabilities for the financial period ended 31 March 2012 are as follows:

- (a) The Group is providing continuing financial support to North Plaza Sdn Bhd, a joint venture company up to the percentage of shareholding the Group holds in North Plaza Sdn Bhd so as to enable North Plaza Sdn Bhd to meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operation.
- (b) The Company monitors the performance of its subsidiary, Tasek Concrete Sdn Bhd closely to ensure it meets all its financial obligations. In view that there is minimal risk of default, the Company has not recognised the value of the obligation under the financial guarantee in the statement of financial position.

	31 March 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Unsecured:			
Corporate guarantee given to a third party in respect of rental of property by its subsidiary	141	188	-

21. Events after the reporting period

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

22. Review of performance

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

Group revenue for the current quarter increased 19.2% to RM150.6 million from RM126.4 million in the previous year's corresponding quarter. The increase in group revenue was contributed by both the cement and concrete segments from higher volume in sales of cement and ready-mixed concrete in the domestic market. Better pricing of cement and ready-mixed concrete also contributed to the higher revenue. As a result, the Group registered a higher profit before tax of RM32.4 million compared with RM29.9 million for the same quarter of previous year.

The cement segment registered a higher operating profit of RM25.2 million in the current quarter compared with RM22.4 million of the previous same quarter. Such higher operating profit was mainly due to higher domestic sales volume of cement and better pricing. However, the higher domestic sales volume was offset by higher production costs attributed mainly to the rising fuel and energy costs.

The concrete segment posted lower operating profit of RM169,000 compared with RM278,000 of the previous same quarter despite the higher revenue. The lower operating profit was mainly due to the increase in costs of raw materials such as aggregates and sand. The increase in the costs of raw materials was attributed to shortages of supply experienced in the Central Region.

Interest income for the current quarter increased 32.7% to RM4.1 million from RM3.1 million of the previous same quarter. The increase was due to higher interest yield and higher fund placements during the reporting quarter.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Share of profit from the Company's associate for the current quarter decreased 29% to RM3.0 million from RM4.2 million of the previous same quarter mainly due to higher clinker and imported bulk cement costs.

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

	Current quarter	Immediate preceding quarter
	31 March 2012	31 December 2011
	RM'000	RM'000 (restated)
Revenue	150,632	167,236
Consolidated profit before tax	29,370	39,526
Share of profit of associates and joint venture, net of tax	3,005	5,078
	<u>32,375</u>	<u>44,604</u>

The Group achieved a lower revenue and profit before tax compared with the immediate preceding quarter mainly due to lower revenue from both the cement and concrete segments. This was due to competitive pricing for cement in the domestic market and lower sales volume for ready-mixed concrete respectively. The rising fuel and energy costs increased production costs for cement which contributed to lower margin for domestic cement. The Group's share of profits of RM3.0 million from its associate in the reporting quarter was RM2.07 million lower than the immediate preceding quarter due to the associate registering lower cement sales and experiencing higher clinker and imported bulk cement costs.

24. Commentary on prospects

The Central Bank of Malaysia (Bank Negara Malaysia) in its 2011 Report has projected the domestic construction sector to grow 6.6% for this year on the back of implementation of major infrastructure projects and the Special Stimulus Package by the Malaysian Government's initiatives. These initiatives would augur well for the industry. However, slower global growth and risk of deterioration in Europe's sovereign debt crisis are concerns that may affect the country domestically. The RM36 billion My Rapid Transit ("MRT") project has been announced and 3 parcels of the tender have been awarded, including the parcel on underground tunnelling work, to local contractors. The MRT project would see increase in the demand for cement and ready-mixed concrete when it gains momentum and kicks off this year. The Group's ongoing plant performance optimisation programme would put it on stronger footing to weather any unforeseen circumstances. The Group is expected to remain profitable for the next quarter.

25. Profit forecast or profit guarantee

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

26. Corporate proposals

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

27. Material litigation

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

28. Dividend payable

No interim dividend has been declared for the current quarter ended 31 March 2012 (2011 : Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

29. Derivative financial instruments

The outstanding forward foreign currency exchange contracts as at 31 March 2012 are as follows:

<u>Type of Derivatives</u>	Contract	Fair value	
	value	Assets	Liabilities
	RM'000	RM'000	RM'000
Foreign Exchange Contracts			
- Less than 1 year	1,275	13	-
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

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 liabilities 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.

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 year 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 year to date.

33. Realised and Unrealised Profit or (Losses) Disclosure

The breakdown of the retained profits of the Group as at 31 March 2012 and 31 December 2011 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, 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 2012	As at 31 December 2,011
	RM'000	RM'000 (restated)
Total retained profits of the Group :		
- Realised	568,400	546,293
- Unrealised	(23,829)	(23,741)
	544,571	522,552
Total share of realised retained profits from associate and jointly controlled entity		
- Realised	75,117	72,113
- Unrealised	(1,657)	(1,657)
	618,031	593,008
Add: consolidation adjustments	15,067	15,197
Retained profits as per consolidated accounts	633,098	608,205

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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34. Explanation of transition to MFRSs

As stated in Note 3, these are the Group's first consolidated interim financial statements prepared in accordance with MFRSs.

In preparing its opening MFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with the previous FRSS. An explanation of how the transition from the previous FRSS to the new MFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes accompanying these tables.

(a) Reconciliation of equity

	Note	FRS as at 1 January 2011 RM'000	Adjustments RM'000	MFRS as at 1 January 2011 RM'000	FRS as at 31 March 2012 RM'000	Adjustments RM'000	MFRS as at 31 March 2012 RM'000	FRS as at 31 December 2011 RM'000	Adjustments RM'000	FRS as at 31 December 2011 RM'000
Assets										
Non - current assets										
Property, plant and equipment		350,861		350,861	342,189		342,189	348,886		348,886
Intangible assets		509		509	1,028		1,028	865		865
Goodwill on consolidation		389		389	389		389	389		389
Prepaid lease payments		32		32	26		26	27		27
Investment in associates		78,097		78,097	93,798		93,798	90,793		90,793
Investment in a joint venture		6		6	55		55	55		55
Other receivables		-		-	1,130		1,130	1,072		1,072
		<u>429,894</u>		<u>429,894</u>	<u>438,615</u>		<u>438,615</u>	<u>442,087</u>		<u>442,087</u>
Current assets										
Inventories		115,222		115,222	83,675		83,675	89,164		89,164
Trade and other receivables		86,651		86,651	85,793		85,793	84,942		84,942
Derivatives		61		61	-		-	-		-
Cash and bank balances		436,904		436,904	495,949		495,949	494,529		494,529
Tax recoverable		349		349	569		569	583		583
Total current assets		<u>639,187</u>		<u>639,187</u>	<u>665,986</u>		<u>665,986</u>	<u>669,218</u>		<u>669,218</u>
Assets classified as held for sale		174		174	-		-	-		-
Derivative assets		-		-	-		-	-		-
		<u>639,361</u>		<u>639,361</u>	<u>665,986</u>		<u>665,986</u>	<u>669,218</u>		<u>669,218</u>
Total assets		<u>1,069,255</u>		<u>1,069,255</u>	<u>1,104,601</u>		<u>1,104,601</u>	<u>1,111,305</u>		<u>1,111,305</u>

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	FRS as at 1 January 2011 RM'000	Adjustments RM'000	MFRS as at 1 January 2011 RM'000	FRS as at 31 March 2012 RM'000	Adjustments RM'000	MFRS as at 31 March 2012 RM'000	FRS as at 31 December 2011 RM'000	Adjustments RM'000	FRS as at 31 December 2011 RM'000
Note									
34. Explanation of transition to MFRSs (cont'd)									
Equity									
Share Capital	123,956		123,956	123,956		123,956	123,956		123,956
Share Premium	133,945		133,945	133,945		133,945	133,945		133,945
Revaluation reserve	3(a) 11,199	(11,199)	-	11,199	(11,199)	-	11,199	(11,199)	-
Capital redemption reserve	398		398	398		398	398		398
Treasury shares	-		-	(20,633)		(20,633)	-		-
Revenue reserves	3(a) 702,267	11,199	713,466	737,247	11,199	748,446	712,354	11,199	723,553
Equity attributable to equity holders of the Company	971,765		971,765	986,112		986,112	981,852		981,852
Non-controlling interests	-		-	-		-	-		-
Total equity	<u>971,765</u>		<u>971,765</u>	<u>986,112</u>		<u>986,112</u>	<u>981,852</u>		<u>981,852</u>
Liabilities									
Provisions	908		908	1,134		1,134	998		998
Deferred tax liabilities	28,516		28,516	35,029		35,029	34,940		34,940
Total non - current liabilities	<u>29,424</u>		<u>29,424</u>	<u>36,163</u>		<u>36,163</u>	<u>35,938</u>		<u>35,938</u>
Provision	210		210	336		336	534		534
Income tax payable	2,117		2,117	8,381		8,381	7,019		7,019
Loans and borrowings	4,127		4,127	7,234		7,234	6,195		6,195
Trade and other payables	61,612		61,612	66,375		66,375	79,767		79,767
Total current liabilities	<u>68,066</u>		<u>68,066</u>	<u>82,326</u>		<u>82,326</u>	<u>93,515</u>		<u>93,515</u>
Total liabilities	<u>97,490</u>		<u>97,490</u>	<u>118,489</u>		<u>118,489</u>	<u>129,453</u>		<u>129,453</u>
Total equity and liabilities	<u>1,069,255</u>		<u>1,069,255</u>	<u>1,104,601</u>		<u>1,104,601</u>	<u>1,111,305</u>		<u>1,111,305</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2012 - UNAUDITED**

34. Explanation of transition to MFRSs (cont'd)

(b) Retained earnings

The changes which affected the retained earnings are as follows:

		31 March 2012	31 December 2011	1 January 2011
	Note	RM'000	RM'000	RM'000
Property, plant and equipment	3(a)	11,199	11,199	11,199
Increase in retained earnings		11,199	11,199	11,199

(c) Revaluation reserve

The changes which affected the revaluation reserve are as follows:

		31 March 2012	31 December 2011	1 January 2011
	Note	RM'000	RM'000	RM'000
Property, plant and equipment	3(a)	(11,199)	(11,199)	(11,199)
		(11,199)	(11,199)	(11,199)

(d) Cash flows

There are no material differences between the statement of cash flows presented under MFRSs and the statement of cash flows presented under FRSs.

35. 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 31 March 2012	Level 2 31 December 2011	Level 2 1 January 2011
	Note	RM'000	RM'000	RM'000
Foreign Exchange Contracts	29	13	-	61

The Group uses Level 2 hierarchy for the above fair value measurement and there were no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

36. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN
 COMPANY SECRETARY

30 APRIL 2012
 KUALA LUMPUR, MALAYSIA