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 6-month month ended 30.6.2012

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRES-PONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRES-PONDING PERIOD
		30/06/2012 RM'000	30/06/2011 RM'000	30/06/2012 RM'000	30/06/2011 RM'000
1	Revenue	139,727	139,570	290,359	265,955
2	Profit/(Loss) before tax	30,576	30,251	62,951	60,142
3	Profit/(Loss) for the period	23,130	24,212	48,023	47,612
4	Profit/(Loss) attributable to ordinary equity holders of the parents	23,130	24,212	48,023	47,612
5	Basic earnings/(loss) per share (sen)	18.99	19.52	39.45	38.39
6	Proposed/Declared dividend per share (sen)	30 sen	20 sen	30 sen	20 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)	7.5532	7.9210

Part A3 : ADDITIONAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRES-PONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRES-PONDING PERIOD
		30/06/2012 RM'000	30/06/2011 RM'000	30/06/2012 RM'000	30/06/2011 RM'000
1	Gross interest income	4,059	3,457	8,069	6,529
2	Gross interest expense	46	32	82	69

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		139,727	139,570	290,359	265,955
Cost of sales		(92,462)	(93,139)	(192,577)	(173,997)
Gross Profit		47,265	46,431	97,782	91,958
Other income		718	357	925	357
Selling and Distribution Expenses		(19,360)	(19,430)	(39,717)	(37,699)
Administrative Expenses		(5,138)	(4,917)	(10,109)	(9,326)
Other expenses		-	-	-	(278)
Operating profit		23,485	22,441	48,881	45,012
Finance income	8	4,059	3,457	8,069	6,529
Finance costs	8	(46)	(32)	(82)	(69)
Net finance income		4,013	3,425	7,987	6,460
		27,498	25,866	56,868	51,472
Share of profit of associates, net of tax		3,078	4,350	6,083	8,586
Share of profit equity accounted in joint venture, net of tax		-	35	-	84
		3,078	4,385	6,083	8,670
Profit before tax	8	30,576	30,251	62,951	60,142
Income tax expense	9	(7,446)	(6,039)	(14,928)	(12,530)
Profit from continuing operations		23,130	24,212	48,023	47,612
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		23,130	24,212	48,023	47,612
Profit for the period attributable to :					
Owners of the parent		23,130	24,212	48,023	47,612
Non-controlling interests		-	-	-	-
Profit for the period		23,130	24,212	48,023	47,612
Earnings per share attributable to owners of the parent (sen per share):					
- Basic from continuing operations	10	18.99	19.52	39.45	38.39
- Diluted	10	NA	NA	NA	NA

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
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2012 RM'000	31 December 2011 RM'000 (restated)	1 January 2011 RM'000 (restated)
Assets				
Non - current assets				
Property, plant and equipment	**11**	337,141	348,886	350,861
Intangible assets	**12**	996	865	509
Goodwill on consolidation		389	389	389
Prepaid lease payments		25	27	32
Investment in associates		90,876	90,793	78,097
Investment in a joint venture		55	55	6
Other receivables		1,130	1,072	-
Total non - current assets		430,612	442,087	429,894
Current assets				
Inventories	**13**	88,834	89,164	115,222
Trade and other receivables		80,115	84,942	86,651
Derivatives	**35**	5	-	61
Cash and cash equivalents	**14**	446,137	494,529	436,904
Tax recoverable		671	583	349
Assets classified as held for sale		-	-	174
Total current assets		615,762	669,218	639,361
Total assets		1,046,374	1,111,305	1,069,255
Equity				
Share Capital	**15**	123,956	123,956	123,956
Reserves	**15**	812,312	857,896	847,809
Equity attributable to equity holders of the Company		936,268	981,852	971,765
Non-controlling interests		-	-	-
Total equity		936,268	981,852	971,765
Liabilities				
Non - current liabilities				
Provisions	**16**	1,009	998	908
Deferred tax liabilities		34,415	34,940	28,516
Total non - current liabilities		35,424	35,938	29,424
Current liabilities				
Provision	**16**	478	534	210
Income tax payable		12,407	7,019	2,117
Loans and borrowings	**17**	3,667	6,195	4,127
Trade and other payables		58,130	79,767	61,612
Total current liabilities		74,682	93,515	68,066
Total liabilities		110,106	129,453	97,490
Total equity and liabilities		1,046,374	1,111,305	1,069,255
Net Assets per Share (RM)		7.55	7.92	7.84
Net Tangible Assets per Share (RM)		7.54	7.91	7.83

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
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to equity holders of the Company							
		Non - distributable					Distributable		
		Share capital	Share Premium	Revaluation Reserve	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	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		-	-	-	-	-	-	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		-	-	-	-	-	-	47,612	47,612
Final & Special dividend totalling 80 sen per share		-	-		-	-	-	(74,461)	(74,461)
Balance at 30 June 2011		123,956	133,946	-	398	-	115,347	571,269	944,916
At 1 January 2012		123,956	133,946	-	398	-	115,347	608,205	981,852
Net profit for the year		-	-	-	-	-	-	48,023	48,023
Shares buy back	**15**	-	-		-	(20,633)	-	-	(20,633)
Final & Special dividend totalling 80 sen per share		-	-	-	-	-	-	(72,974)	(72,974)
Balance at 30 June 2012		123,956	133,946	-	398	(20,633)	115,347	583,254	936,268

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
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months ended	
	30 June 2012	**30 June 2011**
	RM'000	**RM'000**
Operating acitivities		
Profit before taxation	62,951	60,142
Adjustments for:		
Non-cash items		
Amortisation of prepaid lease payments	2	1
Amortisation of intangible assets	139	103
Depreciation of property, plant and equipment	21,519	20,932
Finance income	(8,069)	(6,529)
Finance cost	82	69
Net fair value gain on derivatives (Note 8)	5	-
Property, plant and equipment written off	272	295
Loss on disposal of property, plant and equipment	-	220
Share of results of joint venture	-	(84)
Share of results of associates	(6,083)	(8,586)
	7,867	6,421
Operating cash flows before changes in working capital	70,818	66,563
Changes in working capital:		
Change in inventories	330	14,881
Change in trade and other receivables	4,714	750
Change in trade and other payables	(21,637)	6,557
Total changes in working capital	(16,593)	22,188
Interest received	8,069	6,529
Interest paid	(82)	(69)
Income taxes paid	(10,153)	(5,373)
	(2,166)	1,087
Net cash flows from operating activities	52,059	89,838
Investing activities		
Purchase of property,plant and equipment	(10,046)	(15,844)
Dividend income	6,000	-
Purchase of intangible assets	(270)	-
Net cash flows used in investing activities	(4,316)	(15,844)
Financing activities		
Dividend Paid	(72,974)	(74,461)
Purchase of treasury shares	(20,633)	-
Net proceeds from borrowings	(2,528)	482
Net cash flows used in financing activities	(96,135)	(73,979)
Net (decrease)/increase in cash and cash equivalents	(48,392)	15
Cash & cash equivalents at 1 January	494,529	436,904
Cash & cash equivalents at 30 June	446,137	436,919

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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1. Corporate information

Tasek Corporation Berhad is a 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 26 July 2012.

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

These condensed consolidated interim financial statements, for the period ended 30 June 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 any 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 (30 June 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 (30 June 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 (30 June 2011: RM6,620,000; 31 December 2011: RM6,620,000) was transferred to retained earnings on date of transition to MFRS.

The impact arising from the change is summarised as follows:

		30 June 2012	31 December 2011	1 January 2011
		RM'000	RM'000	RM'000
Consolidated statement of financial position	**Note**			
Reclassification of revaluation reserve to retained earnings	**34**	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 30 June 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
30.6.2012	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	240,279	90,795	1,629	-	332,703
Inter-segment revenue	(40,715)	-	(1,629)	-	(42,344)
Revenue from external customers	199,564	90,795	-	-	290,359
Segment profit/(loss)	55,888	(831)	77	(6,253)	48,881
Inter-segment rental elimination	(102)	102	-	-	-
	55,786	(729)	77	(6,253)	48,881
Segment profit/(loss)	55,888	(831)	77	(6,253)	48,881
Finance income	8,177	11	-	(119)	8,069
Finance cost	-	(201)	-	119	(82)
Share of profit from Associates	-	-	-	6,083	6,083
Share of profit from joint venture	-	-	-	-	-
Profit/(loss) before tax	64,065	(1,021)	77	(170)	62,951

	Cement	Ready-mixed Concrete	All other segments	Adjustment and Elimination	Total
30.6.2011	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	214,287	93,538	-	-	307,825
Inter-segment revenue	(41,870)	-	-	-	(41,870)
Revenue from external customers	172,417	93,538	-	-	265,955
Segment profit/(loss)	96,833	881	(7,015)	(45,687)	45,012
Inter-segment elimination	(7,003)	-	7,003	-	-
	89,830	881	(12)	(45,687)	45,012

	Cement	Ready-mixed Concrete	All other segments	Adjustment and Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit/(loss)	96,833	881	(7,015)	(45,687)	45,012
Finance income	6,486	43	-	-	6,529
Finance cost	-	(69)	-	-	(69)
Share of profit of associates	-	-	-	8,586	8,586
Share of profit in joint venture	-	-	-	84	84
Profit/(loss) before tax	103,319	855	(7,015)	(37,017)	60,142

Breakdown of the revenue from all services is as follows:
Analysis of revenue by geographical segment

	30.6.2012	30.6.2011
	RM'000	RM'000
Malaysia	252,121	239,940
Outside Malaysia	38,238	26,015
	290,359	265,955

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 from FRSs to MFRSs has not had any impact in the reported revenue and profit before tax of the Group's segment for the 6 months ended 30 June 2012.

8. Profit before tax

Included in the profit before tax are the following items:

	Note	Current quarter 3 months ended 30 June	30 June	Cumulative quarter 6 months ended 30 June	30 June
		2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):					
Amortisation of prepaid lease payments		1	-	2	1
Amortisation of intangible assets		74	60	139	103
Depreciation of property, plant and equipment	**11**	10,741	10,438	21,519	20,932
Finance income		(4,059)	(3,457)	(8,069)	(6,529)
Finance cost		46	32	82	69
Loss on disposal of property, plant and equipment		-	-	-	220
Property, plant and equipment written off		271	-	272	296
(Gain)/Loss on foreign exchange - realised		(64)	-	(37)	46
Net fair value gain on derivatives		5	-	5	-
Rental income		(262)	(143)	(553)	(426)

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9. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Current Income tax				
Malaysia - Current year	(6,852)	(2,931)	(14,288)	(7,805)
- Prior year	(7)	-	(40)	-
	(6,859)	(2,931)	(14,328)	(7,805)
Deferred tax				
Origination and reversal of temporary differences	(762)	(3,108)	(775)	(4,725)
Under/(Over) provision in respect of prior years	175	-	175	-
	(7,446)	(6,039)	(14,928)	(12,530)

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 as well as the tax losses position of the concrete segment.

10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
(I) Basic earnings per share				
Profit net of tax attributable to owners of the parent	23,130	24,212	48,023	47,612
Less : 6% Preference Dividend	(20)	(20)	(20)	(20)
Proportion of profit attributable to preference shareholders	(63)	(65)	(130)	(129)
Profit net of tax from continuing operations attributable to owners of the parent used in the computation of basic earnings per share	23,047	24,127	47,873	47,463
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 30 June	121,349	123,621	121,349	123,621
Basic earnings per share (sen) for Profit from continuing operations	18.99	19.52	39.45	38.39

(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

	Note	30 June 2012	31 December 2011	1 January 2011
		RM'000	RM'000	RM'000
Net carrying amount:				
Balance at the beginning of period/year		348,886	350,861	366,922
Additions		10,046	42,127	35,419
Disposals		-	(435)	(8,372)
Less: Depreciation	**8**	(21,519)	(43,196)	(43,051)
Less: Written off		(272)	(471)	(57)
Balance at end of period/year		337,141	348,886	350,861

12. Intangible assets

	Note	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
Additions		270	-	270
At 30 June 2012		3,827	389	4,216
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
Amortisation	**8**	139	-	139
At 30 June 2012		2,831	-	2,831
Net carrying amount:				
At 1 January 2011		509	389	898
At 31 December 2011		865	389	1,254
At 30 June 2012		996	389	1,385

The recoverable amount of 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.

13. Inventories

During the six months ended 30 June 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

	30 June 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Cash at bank and in hand	19,185	24,974	24,887
Short term deposits	426,952	469,555	412,017
Total cash and cash equivalents	446,137	494,529	436,904

15. Share Capital, share premium and treasury shares

Treasury shares
At the Annual General Meeting (AGM) of the Company held on 30 April 2012, 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 6 months ended 30 June 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

	30 June 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Balance at the beginning of period/year	1,532	1,118	-
Arose during the year	337	354	1,051
Unwinding of discount	41	60	67
Reversal of provision	(423)	-	-
Balance at end of period/year	1,487	1,532	1,118
At 30 June/31 December			
Current	478	534	210
Non-current:			
Later than 1 year but not later than 2 years	710	823	509
Later than 2 year but not later than 5 years	299	175	399
	1,009	998	908
	1,487	1,532	1,118

Provision for restoration costs

A provision is recognised for restoration cost associated with its subsidiary, Tasek Concrete Sdn Bhd's obligations to restore the land 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 the management's best estimates.

17. Group borrowings and debts securities

Total Group's short term borrowing (denominated in local currency) as at 30 June 2012 is as follows:

	30 June 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Bankers' Acceptances (unsecured)	3,667	6,195	4,127

18. Dividends

Since the end of the previous financial year, on 15 June 2012, the Company paid a final dividend totalling RM72.686 million comprising a final dividend of 30 sen per share less tax of 25% and a special dividend of 50 sen per share less tax of 25% on the ordinary shares; and single tier dividends totalling RM288,100 comprising preference dividend of 6 sen per share, final dividend of 30 sen per share and special dividend of 50 sen per share on the 6% Cumulative Participating Preference Shares in respect of the financial year ended 31 December 2011.

19. Commitments

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

	30 June 2012	31 December 2011	1 January 2011
Property, plant & equipment	RM'000	RM'000	RM'000
- Contracted but not provided for and payable	10,403	11,289	4,078
- Authorised but not contracted for	9,787	4,454	5,835
	20,190	15,743	9,913

20. Contingencies

The contingent liabilities for the financial period ended 30 June 2012 are as follows:

(a) The Group is providing continuing financial support to North Plaza Sdn Bhd (NPSB), a joint venture company up to the percentage of shareholding the Group holds in NPSB so as to enable NPSB 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.

	30 June 2012	31 December 2011	1 January 2011
Unsecured:	RM'000	RM'000	RM'000
Corporate guarantee given to a third party in respect of rental of property by a subsidiary	374	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 marginally by RM157,000 to RM139.7 million as compared to RM139.6 million in the previous year's corresponding quarter. The higher group revenue was contributed by the cement segment which recorded an increase in cement and clinker sales. However such increase was off-set by the weak performance from the concrete segment. The Group's profit before tax of RM30.6 million in the reporting quarter was RM325,000 higher than the corresponding quarter of previous year mainly due to higher contribution from the local cement business arising from improved pricing and higher sales volume as well as higher interest income. However, the under performance of the concrete segment during the reporting quarter has partly off-set the favourable variant from the cement segment.

The cement segment registered a higher operating profit of RM23.4 million in the current quarter as compared with RM21.8 million in the previous year's corresponding quarter. The higher operating profit was mainly contributed by local cement business with improved pricing and higher sales volume.

The concrete segment registered an operating loss of RM822,000 as compared to a profit RM446,000 of the same quarter of previous year. Concrete segment's sales volume was impacted by the closure of 2 main batching plants in Kuala Lumpur and the higher production costs in particular the prices of aggregates and sand following the shortages of these raw materials during the reporting quarter.

Interest income for the current quarter increased to RM4.1 million from RM3.5 million compared with the previous year's corresponding same quarter mainly due to higher interest yield and higher fund placements.

Share of profit from the Group's associate during the reporting quarter decreased by RM1.3 million to RM3.1 million as compared to RM4.4 million of the previous year's corresponding quarter. The lower profit was mainly due to the increase in production costs from higher clinker and imported bulk cement costs.

(b) Current Period-to-date vs. Previous Period-to-date

Group's revenue for the current period to date increased 9.2% to RM290.4 million from RM266.0 million achieved in the previous year's corresponding period mainly contributed by cement segment which registered a higher sales of cement and clinker. However, such increase was partly off-set by the weak ready-mix operation. The Group registered a higher profit before tax of RM63.0 million compared with RM60.1 million reported for the same period of previous year mainly due to higher profit contribution from the cement segment and higher interest income.

The cement segment registered a higher operating profit of RM48.6 million in the current period to date compared with RM44.3 million recorded for the previous years' corresponding period mainly due to higher domestic cement sales as well as higher cement and clinker export volume.

The concrete segment registered an operating loss of RM570,000 as compared to a profit of RM942,000 of the previous period. The closure of two main batching plants in the Klang Valley affected the concrete sales volume as compared to the same period of last year. The loss was further compounded by reduced margins from the increase in costs of raw materials such as aggregates and sand.

Interest income for the current period to date increased to RM8.1 million from RM6.5 million of the previous period mainly due to higher interest yield and higher fund placements during the reporting period.

Share of profit from the Company's associate for the current period to date declined to RM6.1 million from RM8.6 million of the previous year's same period arising from higher cost of raw materials with no increase in cement selling prices.

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

	Current quarter 30 June 2012 RM'000	Immediate preceding quarter 31 March 2012 RM'000
Revenue	139,727	150,632
Consolidated profit before tax	27,498	29,370
Share of profit of associates and joint venture, net of tax	3,078	3,005
	30,576	32,375

The Group's profit before tax during the reporting quarter was lower compared with the immediate preceding quarter mainly due to lower revenue by both the cement and concrete segments resulting from lower domestic cement and ready-mixed concrete sales volumes. Cement segment's sales volume was impacted by the plant shutdown for maintenance while concrete segment's volume was impacted by the closure of a batching plant in Klang Valley at end of April'12. Apart from the lower revenue effect, Group's profit was also affected by the increased in production costs for both segments following the cement plant shutdown mentioned above as well as the high raw material costs for concrete segment following the shortage of aggregates and sand in the Klang Valley region.

24. Commentary on prospects

The domestic construction market is expected to continue to grow on the back of high activity in the residential and commercial sectors and the expected implementation of infrastructure projects such as the My Rapid Transit ("MRT") and Light Rapid Transit ("LRT") when more contracts are tendered / awarded in the second half of 2012. These MRT and LRT projects once implemented are expected to have a positive effect on the Group's cement / ready-mixed concrete operations. The Group is thus, 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

An interim ordinary dividend of 30 sen per share less income tax of 25% (2011: 20 sen per share less income tax of 25%) and a single tier dividend of 30 sen per share (2011: 20 sen per share) on the 6% Cumulative Participating Preference Shares has been declared and will be payable on 6 September 2012 to shareholders whose names appear in the Record of Depositors at the close of business on 9 August 2012.

Total interim dividend per share:

	2012	2011
Ordinary (less income tax of 25%)	30.0 sen	20.0 sen
Preference (single tier)	30.0 sen	20.0 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 9 August 2012 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

The outstanding forward foreign currency exchange contracts as at 30 June 2012 are as follows:

Type of Derivatives	Note	Contract value	Fair value Assets	Liabilities
		RM'000	RM'000	RM'000
Foreign Exchange Contracts				
- Less than 1 year	**35**	561	5	-
-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 30 June 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 30 June 2012	As at 31 December 2011
	RM'000	RM'000 (restated)
Total retained profits of the Group :		
- Realised	532,187	557,492
- Unrealised	(34,415)	(34,940)
	497,772	522,552
Total share of realised retained profits from associate and jointly controlled entity		
- Realised	72,910	72,113
- Unrealised	(2,371)	(1,657)
	568,311	593,008
Add: consolidation adjustments	14,943	15,197
Retained profits as per consolidated accounts	583,254	608,205

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

	FRS as at 30 June 2012 RM'000	Adjustments RM'000	MFRS as at 30 June 2012 RM'000
Assets			
Non - current assets			
Property, plant and equipment	337,141		337,141
Intangible assets	996		996
Goodwill on consolidation	389		389
Prepaid lease payments	25		25
Investment in associates	90,876		90,876
Investment in a joint venture	55		55
Other receivables	1,130		1,130
	430,612		430,612
Current assets			
Inventories	88,834		88,834
Trade and other receivables	80,115		80,115
Derivatives	5		5
Cash and bank balances	446,137		446,137
Tax recoverable	671		671
Total current assets	615,762		615,762
Assets classified as held for sale	-		-
Derivative assets	-		-
	615,762		615,762
Total assets	1,046,374		1,046,374
Equity			
Share Capital	123,956		123,956
Share Premium	133,945		133,945
Revaluation reserve	11,199	(11,199)	-
Capital redemption reserve	398		398
Treasury shares	(20,633)		(20,633)
Revenue reserves	687,403	11,199	698,602
Equity attributable to equity holders of the Company	936,268		936,268
Non-controlling interests	-		-
Total equity	936,268		936,268
Liabilities			
Provisions	1,009		1,009
Deferred tax liabilities	34,415		34,415
Total non - current liabilities	35,424		35,424
Provision	478		478
Income tax payable	12,407		12,407
Loans and borrowings	3,667		3,667
Trade and other payables	58,130		58,130
Total current liabilities	74,682		74,682
Total liabilities	110,106		110,106
Total equity and liabilities	1,046,374		1,046,374

(b) Retained earnings

The changes which affected the retained earnings are as follows:

	Note	30 June 2012 RM'000	31 December 2011 RM'000	1 January 2011 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:

	Note	30 June 2012 RM'000	31 December 2011 RM'000	1 January 2011 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:

	Note	Level 2 30 June 2012 RM'000	Level 2 31 December 2011 RM'000	Level 2 1 January 2011 RM'000
Foreign Exchange Contracts	**29**	5	-	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

26 JULY 2012
KUALA LUMPUR, MALAYSIA