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 fourth quarter ended 31.12.2012

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRES-PONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRES-PONDING PERIOD
		31/12/2012 RM'000	31/12/2011 RM'000	31/12/2012 RM'000	31/12/2011 RM'000
1	Revenue	133,777	167,236	564,540	566,185
2	Profit/(Loss) before tax	26,098	44,604	119,319	132,291
3	Profit/(Loss) for the period	20,753	33,439	91,887	103,158
4	Profit/(Loss) attributable to ordinary equity holders of the parents	20,753	33,439	91,887	103,158
5	Basic earnings/(loss) per share (sen)	17.06	26.98	75.50	83.20
6	Proposed/Declared dividend per share (sen)	90 sen	80 sen	120 sen	100 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)	7.6864	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
		31/12/2012 RM'000	31/12/2011 RM'000	31/12/2012 RM'000	31/12/2011 RM'000
1	Gross interest income	4,202	3,911	16,105	14,133
2	Gross interest expense	58	434	191	543

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		133,777	167,236	564,540	566,185
Cost of sales		(90,872)	(105,625)	(375,415)	(370,296)
Gross Profit		42,905	61,611	189,125	195,889
Other (expense)/income		1,055	1,037	1,534	1,856
Selling and Distribution Expenses		(18,336)	(20,594)	(77,355)	(77,072)
Administrative Expenses		(6,843)	(6,283)	(22,040)	(20,715)
Other expenses		-	278	-	-
Operating profit		18,781	36,049	91,264	99,958
Finance income	8	4,202	3,911	16,105	14,133
Finance costs	8	(58)	(434)	(191)	(543)
Net finance income		4,144	3,477	15,914	13,590
		22,925	39,526	107,178	113,548
Share of profit of associates, net of tax		3,228	5,113	12,196	18,694
Share of (loss)/profit equity accounted in joint venture, net of tax		(55)	(35)	(55)	49
		3,173	5,078	12,141	18,743
Profit before tax	8	26,098	44,604	119,319	132,291
Income tax expense	9	(5,345)	(11,165)	(27,432)	(29,133)
Profit from continuing operations		20,753	33,439	91,887	103,158
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		20,753	33,439	91,887	103,158
Profit for the year attributable to :					
Owners of the parent		20,753	33,439	91,887	103,158
Non-controlling interests		-	-	-	-
Profit for the year		20,753	33,439	91,887	103,158
Earnings per share attributable to owners of the parent (sen per share):					
- Basic from continuing operations	10	17.06	26.98	75.50	83.20
- 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 STATEMENT OF FINANCIAL POSITION

	Note	31 December 2012 RM'000	31 December 2011 RM'000 (restated)	1 January 2011 RM'000 (restated)
Assets				
Non - current assets				
Property, plant and equipment	**11**	334,481	348,886	350,861
Intangible assets	**12**	963	865	509
Goodwill on consolidation	**12**	389	389	389
Prepaid lease payments		22	27	32
Investment in associates		95,489	90,793	78,097
Investment in a joint venture		-	55	6
Other receivables		-	1,072	-
Total non - current assets		431,344	442,087	429,894
Current assets				
Inventories	**13**	101,675	89,164	115,222
Trade and other receivables		65,231	84,942	86,651
Derivatives	**35**	-	-	61
Cash and cash equivalents	**14**	465,577	494,529	436,904
Tax recoverable		297	583	349
Assets classified as held for sale		-	-	174
Total current assets		632,780	669,218	639,361
Total assets		1,064,124	1,111,305	1,069,255
Equity				
Share Capital	**15**	123,956	123,956	123,956
Reserves	**15**	828,819	857,896	847,809
Equity attributable to equity holders of the Company		952,775	981,852	971,765
Non-controlling interests		-	-	-
Total equity		952,775	981,852	971,765
Liabilities				
Non - current liabilities				
Provisions	**16**	1,044	998	908
Deferred tax liabilities		34,085	34,940	28,516
Total non - current liabilities		35,129	35,938	29,424
Current liabilities				
Provision	**16**	228	534	210
Income tax payable		3,223	7,019	2,117
Loans and borrowings	**17**	3,843	6,195	4,127
Trade and other payables		68,926	79,767	61,612
Total current liabilities		76,220	93,515	68,066
Total liabilities		111,349	129,453	97,490
Total equity and liabilities		1,064,124	1,111,305	1,069,255
Net Assets per Share (RM)		7.69	7.92	7.84
Net Tangible Assets per Share (RM)		7.68	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 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 year		-	-	-	-	-	103,158	103,158
Final & Special dividend totalling 80 sen per share		-	-	-	-	-	(74,461)	(74,461)
Interim dividend totalling 20 sen per share		-	-	-	-	-	(18,610)	(18,610)
Balance at 31 December 2011		123,956	133,946	398	-	115,347	608,205	981,852
At 1 January 2012		123,956	133,946	398	-	115,347	608,205	981,852
Net profit for the year		-	-	-	-	-	91,887	91,887
Shares buy back	15	-	-	-	(20,633)	-	-	(20,633)
Final & Special dividend totalling 80 sen per share		-	-	-	-	-	(72,974)	(72,974)
Interim dividend totalling 30 sen per share		-	-	-	-	-	(27,357)	(27,357)
Balance at 31 December 2012		123,956	133,946	398	(20,633)	115,347	599,761	952,775

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 FLOW

	12 Months ended	
	31 December 2012 RM'000	**31 December 2011 RM'000**
Operating acitivities		
Profit before taxation	119,319	132,291
Adjustments for:		
Non-cash items		
Amortisation of prepaid lease payments	5	5
Amortisation of intangible assets	285	257
Bad debts written off	2	1
Depreciation of property, plant and equipment	42,698	43,196
Finance income	(16,105)	(14,133)
Finance cost	191	543
Impairment loss on receivables	-	13
Inventories written down	127	444
Intangible assets written off	1	-
Property, plant and equipment written off	1,591	471
Net (Gain)/Loss on disposal of property, plant and equipment	(57)	192
Gain on disposal of assets held for sale	-	(155)
Reversal on impairment loss on receivables	(10)	(167)
Reversal of provision for restoration costs	(781)	-
Reversal of provision for obsolete inventories	(413)	-
Share of results of joint venture	55	(49)
Share of results of associates	(12,196)	(18,694)
Unrealised Loss on foreign exchange loss/(gain)	-	57
	15,393	11,981
Operating cash flows before changes in working capital	134,712	144,272
<u>Changes in working capital:</u>		
Change in inventories	(12,225)	26,058
Change in trade and other receivables	21,116	408
Change in trade and other payables	(10,349)	18,127
Total changes in working capital	(1,458)	44,593
Interest received	15,780	14,133
Interest paid	(162)	(158)
Income taxes paid	(31,797)	(18,044)
	(16,179)	(4,069)
Net cash flows from operating activities	117,075	184,796
Investing activities		
Purchase of property,plant and equipment	(30,261)	(42,127)
Net proceeds from disposal of property,plant and equipment	434	243
Dividend income	7,500	6,000
Net proceeds from disposal of assets held for sale	-	329
Purchase of intangible assets	(384)	(613)
Net cash flows used in investing activities	(22,711)	(36,168)
Financing activities		
Dividends Paid	(100,331)	(93,071)
Purchase of treasury shares	(20,633)	-
Net (repayment)/proceeds from borrowings	(2,352)	2,068
Net cash flows used in financing activities	(123,316)	(91,003)
Net (decrease)/increase in cash and cash equivalents	(28,952)	57,625
Cash & cash equivalents at 1 January	494,529	436,904
Cash & cash equivalents at 31 December	465,577	494,529

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
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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 18 February 2013.

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

These condensed consolidated interim financial statements, for the year ended 31 December 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 ended 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, all other 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 disclosed 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 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 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 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:

		31 December 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 31 December 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
31.12.2012	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	470,385	161,613	5,149		637,147
Inter-segment revenue	(67,458)	-	(5,149)		(72,607)
Revenue from external customers	402,927	161,613	-	-	564,540
Segment profit/(loss)	104,793	(4,325)	(261)	(8,943)	91,264
Inter-segment elimination	(252)	252	-	-	-
	104,541	(4,073)	(261)	(8,943)	91,264
Segment profit/(loss)	104,793	(4,325)	(261)	(8,943)	91,264
Finance income	16,304	24	331	(554)	16,105
Finance cost	-	(388)	(357)	554	(191)
Share of profit from Associates	-	-	-	12,196	12,196
Share of profit from joint venture	-	-	-	(55)	(55)
Profit/(loss) before tax	121,097	(4,689)	(287)	3,198	119,319

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31.12.2011	Cement RM'000	Ready-mixed Concrete RM'000	All other segments RM'000	Adjustment and Elimination RM'000	Total RM'000
Segment revenue	448,364	203,637	-	-	652,001
Inter-segment revenue	(85,816)	-	-		(85,816)
Revenue from external customers	362,548	203,637	-	-	566,185
Segment profit/(loss)	149,097	2,813	(17,178)	(34,774)	99,958
Inter-segment elimination	(102)	102		-	-
	148,995	2,915	(17,178)	(34,774)	99,958
Segment profit/(loss)	149,097	2,813	(17,178)	(34,774)	99,958
Finance income	14,073	60	-	-	14,133
Finance cost	(325)	(218)	-	-	(543)
Share of profit of associates	-	-	-	18,694	18,694
Share of profit in joint venture	-	-	-	49	49
Profit/(loss) before tax	162,845	2,655	(17,178)	(16,031)	132,291

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

	31.12.2012 RM'000	31.12.2011 RM'000
Malaysia	501,169	507,232
Outside Malaysia	63,371	58,953
	564,540	566,185

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 12 months ended 31 December 2012.

8. Profit before tax

Included in the profit before tax are the following items:

	Note	Current quarter 3 months ended 31 December 2012 RM'000	Current quarter 3 months ended 31 December 2011 RM'000	Cumulative quarter 12 months ended 31 December 2012 RM'000	Cumulative quarter 12 months ended 31 December 2011 RM'000
Profit before tax is arrived at after charging/(crediting):					
Amortisation of prepaid lease payments		2	2	5	5
Amortisation of intangible assets		66	82	285	257
Depreciation of property, plant and equipment	**11**	10,457	11,781	42,698	43,196
Bad debts written off		2	1	2	1
Inventories written down		127	444	127	444
Finance income		(4,202)	(3,911)	(16,105)	(14,133)
Finance cost		58	434	191	543
Net (Gain)/Loss on disposal of property, plant and equipment		(18)	(20)	(57)	192
Property, plant and equipment written off	**11**	540	175	1,591	471
(Gain)/Loss on foreign exchange - realised		(80)	(161)	-	(278)
Net fair value gain on derivatives		18	-	-	-
Rental income		(134)	(170)	(746)	(894)

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9. Income tax expense

		Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31 December 2012	31 December 2011	31 December 2012	31 December 2011
		RM'000	RM'000	RM'000	RM'000
Current Income tax					
Malaysia	- Current year	(5,488)	(9,915)	(29,035)	(22,838)
	- Prior year	75	53	748	129
		(5,413)	(9,862)	(28,287)	(22,709)
Deferred tax					
Origination and reversal of temporary differences		121	(1,016)	1,369	(6,137)
Under provision in respect of prior years		(53)	(287)	(514)	(287)
		(5,345)	(11,165)	(27,432)	(29,133)

The Group's effective tax rate for the current quarter is below the statutory tax rate of 25% in Malaysia mainly due to reversal of income tax and deferred tax overprovided in the concrete segment.

10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	RM'000	RM'000	RM'000	RM'000
(I) Basic earnings per share				
Profit net of tax attributable to owners of the parent	20,753	33,439	91,887	103,158
Less : 6% Preference Dividend	-	-	(20)	(20)
Proportion of profit attributable to preference shareholders	(56)	(90)	(246)	(279)
Profit net of tax from continuing operations attributable to owners of the parent used in the computation of basic earnings per share	20,697	33,349	91,621	102,859
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 December	121,349	123,621	121,349	123,621
Basic earnings per share (sen) for Profit from continuing operations	17.06	26.98	75.50	83.20

(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	31 December 2012	31 December 2011	1 January 2011
		RM'000	RM'000	RM'000
Net carrying amount:				
Balance at the beginning of year		348,886	350,861	366,922
Additions		30,261	42,127	35,419
Disposals		(377)	(435)	(8,372)
Less: Depreciation	**8**	(42,698)	(43,196)	(43,051)
Less: Written off	**8**	(1,591)	(471)	(57)
Balance at end of year		334,481	348,886	350,861

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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		384	-	384
Write off		(392)	-	(392)
At 31 December 2012		3,549	389	3,938
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**	285	-	285
Write off		(391)	-	(391)
At 31 December 2012		2,586	-	2,586
Net carrying amount:				
At 1 January 2011		509	389	898
At 31 December 2011		865	389	1,254
At 31 December 2012		963	389	1,352

The recoverable amount of the investment in subsidiary and goodwill was determined by discounting the future cash flows projected based on actual operating results and management's assessment of future trends in the ready-mixed concrete industry. No impairment loss is recognised during the year as the recoverable amount is higher than the carrying amount.

13. Inventories

During the twelve months ended 31 December 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 except for the obsolete inventories written down of RM127,000.

14. Cash and cash equivalents

	31 December 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Cash at bank and in hand	20,955	24,974	24,887
Short term deposits	444,622	469,555	412,017
Total cash and cash equivalents	465,577	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 12 months year ended 31 December 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.

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16. Provisions

	31 December 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Balance at the beginning of year	1,532	1,118	-
Arose during the year	492	354	1,051
Unwinding of discount	29	60	67
Reversal of provision	(781)	-	-
Balance at end of year	1,272	1,532	1,118
At 31 December/1 January			
Current	228	534	210
Non-current:			
Later than 1 year but not later than 2 years	737	823	509
Later than 2 year but not later than 5 years	307	175	399
	1,044	998	908
	1,272	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 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 the management's best estimates.

17. Group borrowings and debts securities

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

	31 December 2012	31 December 2011	1 January 2011
	RM'000	RM'000	RM'000
Bankers' Acceptances (unsecured)	3,843	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.

On 6 September 2012, the Company paid an interim dividend of 30 sen per share less tax of 25% on the ordinary shares totalling RM27.257 million; and single tier dividends of 30 sen per share on the 6% Cumulative Participating Preference Shares totalling RM100,500 in respect of the financial year ended 31 December 2012.

19. Commitments

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

	31 December 2012	31 December 2011	1 January 2011
Property, plant & equipment	RM'000	RM'000	RM'000
- Contracted but not provided for and payable	13,520	11,289	4,078
- Authorised but not contracted for	12,926	4,454	5,835
	26,446	15,743	9,913

20. Contingencies

The contingent liabilities for the financial year ended 31 December 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 closely to ensure that it is able to meet 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 disclosed in the statement of financial position.

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) <u>Current Quarter vs. Corresponding Quarter of Previous Year</u>

Group revenue, for the current quarter compared with the corresponding quarter previously, decreased by RM33.46 million to RM133.8 million mainly due to lower volume of domestic sales for cement arising from intense competition and pricing among cement manufacturers. Lower volume of sales for ready-mixed concrete in the concrete segment also contributed to the decrease in Group revenue. The impact of the lower revenue and higher production costs of cement and ready-mixed concrete decreased the Group's profit before tax for the current quarter by RM18.5 million to RM26.1 million. In addition, the share of profit from the associate company continued to fall short of previous year’s profit which led to the lower Group profit before tax.

The cement segment registered a lower operating profit of RM19.9 million for the current quarter compared with RM33.5 million in the previous year's corresponding quarter. The lower operating profit was mainly attributable to lower volume in the domestic sales of cement which was adversely affected by poor weather conditions during the months of November and December. The intense pricing and competition started in October when a new integrated cement plant commenced its commercial production and sales for its cement in the domestic market. Production cost during the reporting quarter was also adversely affected by the scheduled maintenance of the cement plant during the quarter compared to the cement plant running at full production for the corresponding quarter previously.

The concrete segment on the other hand registered an operating loss of RM1.5 million for the current quarter compared to a profit of RM1.5 million previously. This was due to lower volume of sales and higher raw materials costs. The sales of ready-mixed concrete continue to feel the impact following the closure of two main batching plants in the first half of 2012 while margin for the segment also came under pressure from continuous increases in prices of aggregates and sand.

Interest income for the current quarter decreased marginally to RM3.88 million from RM3.91 million mainly due to lower interest yield.

Share of profit from the Group’s associate company during the reporting quarter decreased RM1.9 million to RM3.2 million compared to the previous year's corresponding quarter mainly due to the higher cost of raw materials with no corresponding adjustments in selling price of cement.

(b) <u>Current Year vs. Previous Year</u>

Year-on-year, the Group revenue decreased marginally by RM1.6 million to RM564.5 million mainly due to lower sales of clinker and lower sales volume of ready-mixed concrete. Intense competition and pricing in the domestic market for cement during the last quarter also contributed to lower net revenue. Group profit before tax decreased by RM13.0 million to RM119.3 million as compared to the previous year mainly due to underperformance by the concrete segment compounded by the higher production cost in the cement segment. In addition, lower share of profit from associate company also contributed to the lower profit of the Group.

The cement segment recorded a lower operating profit of RM94.4 million in the current year as compared to RM95.6 million of the previous year mainly due to the intense competition and pricing of cement in the domestic market towards the 4Q'12 coupled with higher clinker production cost due to more unscheduled stoppages compared with previous year.

The concrete segment on the other hand continue to incur losses since the closure of two of its major batching plants in the first half of 2012 with an operating loss of RM5.0 million for the current year as compared to a profit of RM2.8 million previously. The adverse result apart from the sales volume impact, was also contributed by the depleted margin following continuous increase in raw material cost during the year.

Interest income for the current year increased to RM15.8 million from RM14.1 million of the previous year mainly due to better average interest yield during the reporting year.

Share of profit from the Group's associate company for the current year decreased to RM12.2 million from RM18.7 million of the previous year mainly due to the higher cost of raw materials which was not matched with corresponding adjustments in the cement selling price.

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

	Current quarter	Immediate preceding quarter
	31 December 2012 RM'000	30 September 2012 RM'000
Revenue	133,777	140,404
Net profit before tax	22,925	27,385
Share of profit of associates	3,173	2,885
Consolidated Profit before Tax	26,098	30,270

The Group's profit before tax during the current quarter reduced to RM26.1 million from RM30.2 million of the immediate preceding quarter mainly due to lower performance of the cement segment following intense competition and pricing of cement in the reporting quarter that resulted in lower domestic cement net pricing. However the concrete segment's performance in the current quarter registered a lower loss compared with the immediate preceding quarter on higher volume of sales of ready-mixed concrete. The Group's lower profit in the current quarter was partly offset by the share of profit from the associate company following the increase in cement sales volume towards the last quarter of 2012.

24. Commentary on prospects

Despite the continuing uncertaintities facing the many global economies in 2013, the overall outlook for the Malaysia's construction sector in 2013 is expected to remain positive but challenging. The high end property market will continue to be affected by Bank Negara Malaysia's policies and guidelines to financial institutions to curb speculative buyers. The infrastructural projects such as the MRT and LRT expansion launched and awarded under the government's 10th Malaysia Plan and Economic Transformation Programme (ETP) since second half of 2012 is expected to continue to be the major contributor to the construction sector's performance. The Group is thus expected to remain profitable in the first quarter of 2013.

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. Dividends

i) A proposed final ordinary dividend of 30 sen per share ("Final Dividend") less income tax of 25% (2011: 30 sen per share less income tax of 25%); and proposed special ordinary dividend of 60 sen per share ("Special Dividend") less income tax of 25% (2011: 50 sen per share less income tax of 25%) have been recommended subject to approval of shareholders.

ii) The Final Dividend and Special Dividend payable to shareholders of the 6% Cumulative Participating Preference Shares ("Preference Shares") will be single tier dividends. In addition, the shareholders of the Preference Shares will be paid the 6 sen per share Preference dividend as single tier dividend.

ii) Total dividends proposed per share

	2012	2011
Ordinary Shares (less income tax of 25%)	90.0 sen	80.0 sen
Preference Shares (single tier)	96.0 sen	86.0 sen

The Final Dividend and Special Dividend, if approved by shareholders at the forthcoming Annual General Meeting, will be payable on 31 May 2013 to shareholders whose names appear in the Record of Depositors as at the close of business on 15 May 2013.

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 15 May 2013 in respect of ordinary transfers; and;
(b) shares bought on Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

29. Derivative financial instruments

There were no outstanding forward foreign currency exchange contracts during the current quarter ended.

30. Gains/Losses arising from fair value changes of financial liabilities

There were no gain/loss on fair value changes of financial liabilities for the current quarter ended.

31. Sales of unquoted investments and properties.

There were no sale of unquoted investments and properties during the current financial quarter and the financial 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 December 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 December 2012 RM'000	As at 31 December 2011 RM'000 (restated)
Total retained profits of the Group :		
- Realised	557,019	557,492
- Unrealised	(34,085)	(34,940)
	522,934	522,552
Total share of realised retained profits from associate and jointly controlled entity		
- Realised	77,468	72,113
- Unrealised	(2,371)	(1,657)
	598,031	593,008
Add: consolidation adjustments	1,730	15,197
Retained profits as per consolidated accounts	599,761	608,205

TASEK CORPORATION BERHAD
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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

	FRS as at 31 December 2012 RM'000	Adjustments RM'000	MFRS as at 31 December 2012 RM'000
Assets			
Non - current assets			
Property, plant and equipment	334,481		334,481
Intangible assets	963		963
Goodwill on consolidation	389		389
Prepaid lease payments	22		22
Investment in associates	95,489		95,489
Investment in a joint venture	-		-
Other receivables	-		-
	431,344		431,344
Current assets			
Inventories	101,675		101,675
Trade and other receivables	65,231		65,231
Derivatives	-		-
Cash and bank balances	465,577		465,577
Tax recoverable	297		297
Total current assets	632,780		632,780
Total assets	1,064,124		1,064,124
Equity			
Share Capital	123,956		123,956
Share Premium	133,946		133,946
Revaluation reserve	11,199	(11,199)	-
Capital redemption reserve	398		398
Treasury shares	(20,633)		(20,633)
Revenue reserves	703,909	11,199	715,108
Equity attributable to equity holders of the Company	952,775		952,775
Non-controlling interests	-		-
Total equity	952,775		952,775
Liabilities			
Provisions	1,044		1,044
Deferred tax liabilities	34,085		34,085
Total non - current liabilities	35,129		35,129
Provision	228		228
Income tax payable	3,223		3,223
Loans and borrowings	3,843		3,843
Trade and other payables	68,926		68,926
Total current liabilities	76,220		76,220
Total liabilities	111,349		111,349
Total equity and liabilities	1,064,124		1,064,124

(b) Retained earnings

The changes which affected the retained earnings are as follows:

	Note	31 December 2012	31 December 2011	1 January 2011
		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:

	Note	31 December 2012	31 December 2011	1 January 2011
		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:

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

18 FEBRUARY 2013
KUALA LUMPUR, MALAYSIA