

**Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION**

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

**Summary of Key Financial Information for the third financial quarter ended 30.9.2013**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	CURRENT YEAR QUARTER 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2012 RM'000	CURRENT YEAR TODATE 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012 RM'000
1 Revenue	143,929	140,404	422,018	430,763
2 Profit/(Loss) before tax	29,479	30,270	85,500	93,221
3 Profit/(Loss) for the period	23,121	23,111	66,647	71,134
4 Profit/(Loss) attributable to ordinary equity holders of the parents	23,121	23,111	66,647	71,134
5 Basic earnings/(loss) per share (sen)	19.03	18.99	54.85	58.44
6 Proposed/Declared dividend per share (sen)	30 sen	-	62 sen	30 sen
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	7.3264		7.6864	

**Part A3 : ADDITIONAL INFORMATION**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	CURRENT YEAR QUARTER 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2012 RM'000	CURRENT YEAR TODATE 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012 RM'000
1 Gross interest income	3,341	3,834	10,639	11,903
2 Gross interest expense	53	51	116	133

**TASEK CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Current quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue		143,929	140,404	422,018	430,763
Cost of sales		(96,274)	(91,966)	(282,797)	(284,543)
<b>Gross Profit</b>		<u>47,655</u>	<u>48,438</u>	<u>139,221</u>	<u>146,220</u>
Other income		65	(446)	953	479
Selling and Distribution Expenses		(20,261)	(19,302)	(60,420)	(59,019)
Administrative Expenses		(5,463)	(5,088)	(16,106)	(15,197)
<b>Operating profit</b>		<u>21,996</u>	<u>23,602</u>	<u>63,648</u>	<u>72,483</u>
Finance income	8	3,341	3,834	10,639	11,903
Finance costs	8	(53)	(51)	(116)	(133)
<b>Net finance income</b>		<u>3,288</u>	<u>3,783</u>	<u>10,523</u>	<u>11,770</u>
		25,284	27,385	74,171	84,253
Share of profit of associates, net of tax		4,195	2,885	11,329	8,968
<b>Profit before tax</b>	8	<u>29,479</u>	<u>30,270</u>	<u>85,500</u>	<u>93,221</u>
Income tax expense	9	(6,358)	(7,159)	(18,853)	(22,087)
<b>Profit net of tax, representing total comprehensive income for the period</b>		<u><u>23,121</u></u>	<u><u>23,111</u></u>	<u><u>66,647</u></u>	<u><u>71,134</u></u>
<b>Profit and total comprehensive income for the period attributable to :</b>					
Equity holders of the Company		<u><u>23,121</u></u>	<u><u>23,111</u></u>	<u><u>66,647</u></u>	<u><u>71,134</u></u>
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
- Basic from continuing operations	10	<u><u>19.03</u></u>	<u><u>18.99</u></u>	<u><u>54.85</u></u>	<u><u>58.44</u></u>
- Diluted	10	<u><u>NA</u></u>	<u><u>NA</u></u>	<u><u>NA</u></u>	<u><u>NA</u></u>

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

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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS AT 30 SEPTEMBER 2013 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		30 September 2013	31 December 2012
	Note	RM'000	RM'000 (Audited)
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	11	330,033	334,481
Intangible assets	12	829	963
Goodwill on consolidation	12	389	389
Prepaid lease payments		19	22
Investment in associates		103,038	95,489
Investment in a joint venture (*)		-	-
<b>Total non - current assets</b>		<u>434,308</u>	<u>431,344</u>
<b>Current assets</b>			
Inventories	13	109,035	101,675
Trade and other receivables		79,190	65,231
Cash and cash equivalents	14	407,494	465,577
Tax recoverable		72	297
<b>Total current assets</b>		<u>595,791</u>	<u>632,780</u>
<b>Total assets</b>		<u><u>1,030,099</u></u>	<u><u>1,064,124</u></u>
<b>Equity attributable to equity holders of the Company</b>			
Share Capital	15	123,956	123,956
Reserves	15	784,192	828,819
<b>Total equity</b>		<u>908,148</u>	<u>952,775</u>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Provision	16	670	1,044
Deferred tax liabilities		32,759	34,085
<b>Total non - current liabilities</b>		<u>33,429</u>	<u>35,129</u>
<b>Current liabilities</b>			
Provision	16	411	228
Income tax payable		3,077	3,223
Loans and borrowings	17	6,500	3,843
Trade and other payables		78,534	68,926
<b>Total current liabilities</b>		<u>88,522</u>	<u>76,220</u>
<b>Total liabilities</b>		<u>121,951</u>	<u>111,349</u>
<b>Total equity and liabilities</b>		<u><u>1,030,099</u></u>	<u><u>1,064,124</u></u>
Net Assets per Share (RM)		<u>7.33</u>	<u>7.69</u>
Net Tangible Assets per Share (RM)		<u>7.32</u>	<u>7.68</u>

(\*) - RM150.00 - negligible

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

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company						
	Non - distributable				Distributable		Total RM'000
	Share capital	Share Premium	Capital Redemption Reserve	Treasury Shares	General Reserve	Retained Profits	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2012	123,956	133,946	398	-	115,347	608,205	981,852
Net profit for the period	-	-	-	-	-	71,134	71,134
Share buy-back	-	-	-	(20,633)	-	-	(20,633)
Final & Special dividend totalling 80 sen per share	-	-	-	-	-	(72,974)	(72,974)
Interim dividend totalling 30 sen per share	-	-	-	-	-	(27,358)	(27,358)
At 30 September 2012	123,956	133,946	398	(20,633)	115,347	579,007	932,021
At 1 January 2013	123,956	133,946	398	(20,633)	115,347	599,761	952,775
Net profit for the period	-	-	-	-	-	66,647	66,647
Final & Special dividend totalling 90 sen per share	-	-	-	-	-	(82,093)	(82,093)
Interim dividend totalling 32 sen per share	-	-	-	-	-	(29,181)	(29,181)
At 30 September 2013	123,956	133,946	398	(20,633)	115,347	555,134	908,148

**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**

	9 Months ended	
	30 September 2013	30 September 2012
	RM'000	RM'000
<b>Operating activities</b>		
Profit before taxation	85,500	93,221
Adjustments for:		
Non-cash items		
Amortisation of prepaid lease payments	3	3
Amortisation of intangible assets	219	219
Depreciation of property, plant and equipment	32,813	32,241
Finance income	(10,639)	(11,903)
Finance cost	116	133
Property, plant and equipment written off	312	1,051
Net gain on disposal of property, plant and equipment	(559)	(39)
Share of results of associates	(11,329)	(8,968)
	10,936	12,737
<b>Operating cash flows before changes in working capital</b>	96,436	105,958
<u>Changes in working capital:</u>		
Change in inventories	(7,360)	(3,705)
Change in trade and other receivables	(13,959)	3,505
Change in trade and other payables	9,417	(11,520)
Total changes in working capital	(11,902)	(11,720)
Interest received	10,639	11,903
Interest paid	(116)	(133)
Income taxes paid	(20,100)	(16,834)
	(9,577)	(5,064)
<b>Net cash flows from operating activities</b>	74,957	89,174
<b>Investing activities</b>		
Purchase of property, plant and equipment	(29,088)	(13,390)
Net proceeds from disposal of property, plant and equipment	970	125
Dividend income	3,780	6,000
Purchase of intangible assets	(85)	(356)
<b>Net cash flows used in investing activities</b>	(24,423)	(7,621)
<b>Financing activities</b>		
Dividends Paid	(111,274)	(100,332)
Purchase of treasury shares	-	(20,633)
Net proceeds/(repayment) from borrowings	2,657	(3,602)
<b>Net cash flows used in financing activities</b>	(108,617)	(124,567)
<b>Net decrease in cash and cash equivalents</b>	(58,083)	(43,014)
<b>Cash &amp; cash equivalents at 1 January</b>	465,577	494,529
<b>Cash &amp; cash equivalents at 30 September</b>	407,494	451,515

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

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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 1 November 2013.

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

These condensed consolidated interim financial statements, for the period ended 30 September 2013, 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 2012, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The consolidated financial statements of the Group for the year ended 31 December 2012 which were prepared under MFRS and IFRS 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.

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012.

**3. Changes in accounting policy**

The Group has adopted the following accounting standards, amendments and interpretations that have been effective beginning on or after 1 January 2013.

**Effective for annual periods beginning on or after 1 July 2012**

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)

**Effective for annual periods beginning on or after 1 January 2013**

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 Employee Benefits

MFRS 127 Separate Financial Statements

MFRS 128 Investment in Associate and Joint Ventures

MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)

Amendments to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar instruments (Annual Improvements 2009-2011 Cycle)

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Amendments to MFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans

Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 132: Financial instruments: Presentation (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance

Amendments to MFRS 11: Joint Arrangements: Transition Guidance

Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above Standards and Interpretations will have no significant impact on the financial statements of the Group upon their initial application.

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**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 September 2013.

**6. Segmental information**

The segment information provided to the chief operating decision maker for the current financial period to date is as follows:

	Cement	Ready-mixed Concrete	All other segments	Adjustment and Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>30.9.2013</u>					
Segment revenue	354,533	123,538	4,116	-	482,187
Inter-segment revenue	(56,053)	-	(4,116)	-	(60,169)
Revenue from external customers	298,480	123,538	-	-	422,018
Segment profit/(loss)	67,562	219	(268)	(3,865)	63,648
Inter-segment elimination	(161)	161	-	-	-
	67,401	380	(268)	(3,865)	63,648
Segment profit/(loss)	67,562	219	(268)	(3,865)	63,648
Finance income	10,731	26	9	(127)	10,639
Finance cost	-	(243)	-	127	(116)
Share of profit from associates	-	-	-	11,329	11,329
Profit/(loss) before tax	78,293	2	(259)	7,464	85,500
<u>30.9.2012</u>					
Segment revenue	359,952	124,881	3,274	-	488,107
Inter-segment revenue	(54,070)	-	(3,274)	-	(57,344)
Revenue from external customers	305,882	124,881	-	-	430,763
Segment profit/(loss)	83,200	(3,311)	(206)	(7,200)	72,483
Inter-segment elimination	(153)	153	-	-	-
	83,047	(3,158)	(206)	(7,200)	72,483
Segment profit/(loss)	83,200	(3,311)	(206)	(7,200)	72,483
Finance income	12,052	15	3	(167)	11,903
Finance cost	-	(300)	-	167	(133)
Share of profit of associates	-	-	-	8,968	8,968
Profit/(loss) before tax	95,252	(3,596)	(203)	1,768	93,221

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	30.9.2013	30.9.2012
	RM'000	RM'000
Malaysia	389,012	380,049
Outside Malaysia	33,006	50,714
	422,018	430,763

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

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**7. Seasonal or cyclical factors**

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

**8. Profit before tax**

Included in the profit before tax are the following items:

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30 September	30 September	30 September	30 September
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):					
Amortisation of prepaid lease payments		1	1	3	3
Amortisation of intangible assets		74	80	219	219
Depreciation of property, plant and equipment	11	11,176	10,722	32,813	32,241
Finance income		(3,341)	(3,834)	(10,639)	(11,903)
Finance cost		53	51	116	133
Net Gain on disposal of property, plant and equipment		(27)	(39)	(559)	(39)
Property, plant and equipment written off	11	270	779	312	1,051
(Gain)/Loss on foreign exchange - realised		(36)	117	(48)	80
Net fair value gain on derivatives		-	(23)	-	(18)
Rental income		(170)	(59)	(493)	(612)

**9. Income tax expense**

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(7,126)	(9,259)	(20,498)	(23,547)
- Prior year	349	713	337	673
	(6,777)	(8,546)	(20,161)	(22,874)
<u>Deferred tax</u>				
Origination and reversal of temporary differences	757	2,023	1,646	1,248
Under provision in respect of prior years	(338)	(636)	(338)	(461)
	(6,358)	(7,159)	(18,853)	(22,087)

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



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**10. Earnings per share**

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
<u>(I) Basic earnings per share</u>				
Profit net of tax attributable to owners of the parent	23,121	23,111	66,647	71,134
Less : 6% Preference Dividend	-	-	(20)	(20)
Proportion of profit attributable to preference shareholders	(62)	(62)	(180)	(192)
Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share	<u>23,059</u>	<u>23,049</u>	<u>66,447</u>	<u>70,922</u>
Weighted average number of ordinary shares:				
Issued ordinary shares at 1 January ('000)	121,143	123,621	121,143	123,621
Effect of purchase of treasury shares ('000)	-	(2,272)	-	(2,272)
Weighted average number of ordinary shares at 30 September	<u>121,143</u>	<u>121,349</u>	<u>121,143</u>	<u>121,349</u>
Basic earnings per share (sen) for Profit from continuing operations	<u>19.03</u>	<u>18.99</u>	<u>54.85</u>	<u>58.44</u>

(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 September	31 December
		2013	2012
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year		334,481	348,886
Additions		29,088	30,261
Disposals		(411)	(377)
Less: Depreciation	<b>8</b>	(32,813)	(42,698)
Less: Written off	<b>8</b>	(312)	(1,591)
Balance at end of period/year		<u>330,033</u>	<u>334,481</u>

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**12. Intangible assets**

	Note	Computer software RM'000	Goodwill RM'000	Total RM'000
<b>Cost:</b>				
At 1 January 2012		3,557	389	3,946
Additions		384	-	384
Write off		(392)	-	(392)
At 31 December 2012 and 1 January 2013		3,549	389	3,938
Additions		85	-	85
At 30 September 2013		3,634	389	4,023
<b>Accumulated amortisation and impairment:</b>				
At 1 January 2012		2,692	-	2,692
Amortisation		285	-	285
Write off		(391)	-	(391)
At 31 December 2012 and 1 January 2013		2,586	-	2,586
Amortisation	8	219	-	219
At 30 September 2013		2,805	-	2,805
<b>Net carrying amount:</b>				
At 1 January 2012		865	389	1,254
At 31 December 2012		963	389	1,352
At 30 September 2013		829	389	1,218

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

**13. Inventories**

During the nine months ended 30 September 2013, 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 September 2013 RM'000	31 December 2012 RM'000
Cash at bank and in hand	14,142	20,955
Short term deposits	393,352	444,622
Total cash and cash equivalents	407,494	465,577

**15. Changes in Debt and Equity Securities**

There were no issuance and repayment of any debt or equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period to date.

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**16. Provision**

	30 September 2013	31 December 2012
	RM'000	RM'000
Balance at the beginning of year	1,272	1,532
Arose during the period and year	125	492
Unwinding of discount	14	29
Reversal of provision	(330)	(781)
Balance at end of period and year	<u>1,081</u>	<u>1,272</u>

**At 30 September and 31 December**

Current	<u>411</u>	<u>228</u>
Non-current:		
Later than 1 year but not later than 2 years	481	737
Later than 2 years but not later than 5 years	189	307
	<u>670</u>	<u>1,044</u>
	<u>1,081</u>	<u>1,272</u>

Provision for restoration costs

A provision is recognised for restoration cost associated with its subsidiary, Tasek Concrete Sdn Bhd's obligations to restore the lands at the end of the tenancy period. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within three years from the reporting date. Assumptions used to calculate the expected cost to dismantle and remove the batching plants from the site and the cost of restoring the land to its original state were based on the management's best estimates.

**17. Group borrowings and debts securities**

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

	30 September 2013	31 December 2012
	RM'000	RM'000
Bankers' Acceptances (unsecured)	<u>6,500</u>	<u>3,843</u>

**18. Dividends**

Since the end of the previous financial year, on 31 May 2013, the Company paid a final dividend totalling RM81.771 million comprising a final dividend of 30 sen per share less tax of 25% and a special dividend of 60 sen per share less tax of 25% on the ordinary shares; and single tier dividends totalling RM321,600 comprising preference dividend of 6 sen per share, final dividend of 30 sen per share and special dividend of 60 sen per share on the 6% Cumulative Participating Preference Shares in respect of the financial year ended 31 December 2012.

On 28 August 2013, the Company paid an interim dividend of 32 sen per share less tax of 25% on the ordinary shares totalling RM29.074 million; and single tier dividend of 32 sen per share on the 6% Cumulative Participating Preference Shares totalling RM107,200 in respect of the financial year ending 31 December 2013.

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**19. Commitments**

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

	30 September 2013	30 September 2012
	RM'000	RM'000
<u>Property, plant &amp; equipment</u>		
- Contracted but not provided for and payable	11,129	11,034
- Authorised but not contracted for	9,565	8,746
	<u>20,694</u>	<u>19,780</u>

**20. Contingencies**

The contingent liabilities for the financial period ended 30 September 2013 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 subsidiaries closely to ensure that they are 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.

	30 September 2013	31 December 2012
	RM'000	RM'000
Unsecured:		
Corporate guarantee given to a third party in respect of rental of property by its subsidiary	-	238

**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**

The Group's total net revenue for the current quarter of RM143.9 million is higher than the corresponding quarter of previous year by RM3.5 million mainly attributable to higher local sales of cement and ready-mixed concrete. However, the Group's total operating profit of RM22.0 million, despite the higher net turnover, was lower in the current quarter when compared with RM23.6 million of the corresponding quarter of previous year. This was mainly due to lower profit margin for the local cement sector arising from continuous competitive pricing and higher production cost. The concrete segment on the other hand registered a lower operating loss during the current quarter mainly due to higher sales volume and improved profit margin.

The cement segment, despite the increased in local cement sales volume, registered a lower operating profit of RM22.4 million in the current quarter as compared to RM26.1 million in the corresponding quarter of previous year. This was mainly attributed to the lower profit margin from local cement sales because of competitive pricing compounded by higher production cost due to plant maintenance during the quarter.

The concrete segment on the other hand recorded a lower operating loss of RM206,000 in the current quarter compared with a loss of RM2.5 million in the corresponding quarter of previous year mainly attributable to the increased in concrete sales volume and improved profit margin following concrete price adjustments due to increase in raw material costs of aggregates and sand.

The Group's lower interest income of RM3.3 million for the current quarter as compared to RM3.8 million of the corresponding quarter of previous year also contributed to the Group's lower profit before tax.

Share of profit from the Group's associated companies during the current quarter increased to RM4.2 million from RM2.9 million of the corresponding quarter of previous year mainly due to better profit margin from lower raw material costs.

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

The Group's total net revenue for the current period to date of RM422.0 million is RM8.80 million lower than previous year's corresponding period to date of RM430.8 million despite an increase in local cement sales volume. This was mainly due to lower pricing from the domestic cement segment following the continuous intense price competition among cement manufacturers. The ready-mixed concrete segment also recorded a decrease in net revenue arising from lower concrete sales volume. Apart from the lower net revenue, the Group's profit during the reporting period was also affected by higher production cost and lower interest income.

The cement segment registered an increase in local cement sales volume in the current period to date but revenue was lower than the previous year's corresponding period to date due to the continuous intense price competition among cement manufacturers. Hence, the segment's current period to date operating profit of RM63.8 million is RM12.2 million lower than RM76.0 million achieved in the previous year's corresponding period to date. Higher cost of productions due to plant maintenance also contributed to the lower profit.

The concrete segment on the other hand recorded an operating profit of RM219,000 for the current period to date as opposed to a loss of RM3.3 million for the previous year's corresponding period to date mainly due to improved concrete profit margin and lower operating cost. The margin improvement was due to selling price adjustments arising from increase in raw materials price.

The Group's interest income for the current period to date of RM10.6 million is slightly lower than previous year's corresponding period to date of RM11.9 million mainly due to lower yield from time deposits.

The share of net profit from the Group's associated companies for the current period to date increased to RM11.2 million from RM8.9 million in the previous year's corresponding period to date mainly due to higher sales volume and lower raw material costs.

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

	Current quarter 30 September 2013 RM'000	Immediate preceding quarter 30 June 2013 RM'000
Revenue	143,929	141,996
Net profit before tax	25,284	23,935
Share of profit of associates	4,195	3,894
Consolidated Profit before Tax	29,479	27,829

The Group achieved a higher profit before tax for the current financial quarter of RM29.5 million compared with RM27.8 million of the immediate preceding quarter. The improved profit was contributed by the Cement Segment which recorded higher local cement sales volume. The ready-mixed concrete segment on the other hand, registered an operating loss of RM206,000 for the current financial quarter as compared with an operating profit of RM761,000 in the immediate preceding quarter mainly due to lower sales volume and higher raw materials costs. Concrete sales volume was also affected by road ban for the Hari Raya festive season, bad weather and construction site foreign workers shortages while raw material cost for aggregates continue to increase during the current financial quarter. In addition, higher share of net profit from associated companies during the current financial quarter also contributed to the better group performance when compared against the immediate preceeding quarter.

**24. Commentary on prospects**

The Government has announced that some of the projects under its Economic Transformation Programme (ETP) may be deferred due to the Government's fiscal and structural reform to reduce the country's budget deficit. However, the construction sector's outlook for the next quarter is expected to remain positive with the continuing progress in the construction of the MRT and LRT lines. Hence, the Group is expected to continue to remain profitable in the next quarter.

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**25. Profit forecast or profit guarantee**

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

**26. Corporate proposals**

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

**27. Material litigation**

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

**28. Dividends**

A special interim single-tier dividend of 30 sen per share (2012: Nil) on the Ordinary Shares and on the 6% Cumulative Participating Preference Shares has been declared and will be payable on 4 December 2013 to shareholders whose names appear in the Record of Depositors at the close of business on 19 November 2013.

Total interim dividend per share:

	Current quarter 30 September 2013	Preceding corresponding quarter 30 September 2012
Ordinary (single tier)	30.0 sen	Nil
Preference (single tier)	30.0 sen	Nil

A Depositor shall qualify for entitlement only in respect of:

- (a) shares transferred into the Depositor's securities account before 4.00 p.m. on 19 November 2013 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**29. Derivative financial instruments**

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

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

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

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

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

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

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

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

The breakdown of the retained profits of the Group as at 30 September 2013 and 31 December 2012 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 30 September 2013 RM'000	As at 31 December 2012 RM'000
Total retained profits of the Group :		
- Realised	503,603	557,019
- Unrealised	<u>(32,759)</u>	<u>(34,085)</u>
	470,844	522,934
Total share of realised retained profits from associate and jointly controlled entity		
- Realised	85,811	77,468
- Unrealised	<u>(3,165)</u>	<u>(2,371)</u>
	553,490	598,031
Add: consolidation adjustments	<u>1,644</u>	<u>1,730</u>
Retained profits as per consolidated accounts	<u><u>555,134</u></u>	<u><u>599,761</u></u>

**34. Fair value hierarchy**

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Inputs that are based on observable market data, either directly or indirectly
Level 3	Inputs that are not based on observable market data

As at the reporting date, the Group does not have any financial assets and liabilities carried at fair value classified as above.

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

The auditors' report on the financial statements for the year ended 31 December 2012 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN  
COMPANY SECRETARY

1 NOVEMBER 2013  
KUALA LUMPUR, MALAYSIA