

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 31.12.2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2012 RM'000	CURRENT YEAR TODATE 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2012 RM'000
1 Revenue	154,991	133,777	577,009	564,540
2 Profit/(Loss) before tax	35,544	26,098	121,044	119,319
3 Profit/(Loss) for the period	27,256	20,753	93,903	91,887
4 Profit/(Loss) attributable to ordinary equity holders of the parents	27,256	20,753	93,903	91,887
5 Basic earnings/(loss) per share (sen)	22.44	17.06	77.29	75.50
6 Proposed/Declared dividend per share (sen)	90 sen	90 sen	152 sen	120 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)	7.2523		7.6864	

Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2012 RM'000	CURRENT YEAR TODATE 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2012 RM'000
1 Gross interest income	3,301	4,202	13,940	16,105
2 Gross interest expense	81	58	197	191

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue		154,991	133,777	577,009	564,540
Cost of sales		(99,156)	(90,872)	(381,953)	(375,415)
Gross Profit		<u>55,835</u>	<u>42,905</u>	<u>195,056</u>	<u>189,125</u>
Other income		1,602	1,055	2,555	1,534
Selling and Distribution Expenses		(22,628)	(18,336)	(83,048)	(77,355)
Administrative Expenses		(6,404)	(6,843)	(22,510)	(22,040)
Operating profit		<u>28,405</u>	<u>18,781</u>	<u>92,053</u>	<u>91,264</u>
Finance income	8	3,301	4,202	13,940	16,105
Finance costs	8	(81)	(58)	(197)	(191)
Net finance income		<u>3,220</u>	<u>4,144</u>	<u>13,743</u>	<u>15,914</u>
		<u>31,625</u>	<u>22,925</u>	<u>105,796</u>	<u>107,178</u>
Share of profit of associates, net of tax		3,919	3,228	15,248	12,196
Share of (loss)/profit equity accounted in joint venture, net of tax		-	(55)	-	(55)
		<u>3,919</u>	<u>3,173</u>	<u>15,248</u>	<u>12,141</u>
Profit before tax	8	<u>35,544</u>	<u>26,098</u>	<u>121,044</u>	<u>119,319</u>
Income tax expense	9	(8,288)	(5,345)	(27,141)	(27,432)
Profit net of tax, representing total comprehensive income for the year		<u><u>27,256</u></u>	<u><u>20,753</u></u>	<u><u>93,903</u></u>	<u><u>91,887</u></u>
Profit and total comprehensive income for the year attributable to :					
Equity holders of the Company		<u><u>27,256</u></u>	<u><u>20,753</u></u>	<u><u>93,903</u></u>	<u><u>91,887</u></u>
Earnings per share attributable to owners of the parent (sen per share):					
- Basic from continuing operations	10	<u>22.44</u>	<u>17.06</u>	<u>77.29</u>	<u>75.50</u>
- Diluted	10	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</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 STATEMENT OF FINANCIAL POSITION

		31 December 2013 RM'000	31 December 2012 RM'000 (Audited)
Assets	Note		
Non - current assets			
Property, plant and equipment	11	319,251	334,481
Intangible assets	12	767	963
Goodwill on consolidation	12	389	389
Prepaid lease payments		17	22
Investment in associates		105,457	95,489
Investment in a joint venture (*)		-	-
Other receivables		2,879	-
Total non - current assets		<u>428,760</u>	<u>431,344</u>
Current assets			
Inventories	13	106,871	101,675
Trade and other receivables		79,653	65,231
Cash and cash equivalents	14	400,458	465,577
Tax recoverable		-	297
Total current assets		<u>586,982</u>	<u>632,780</u>
Total assets		<u>1,015,742</u>	<u>1,064,124</u>
Equity attributable to equity holders of the Company			
Share Capital	15	123,956	123,956
Reserves	15	775,004	828,819
Total equity		<u>898,960</u>	<u>952,775</u>
Liabilities			
Non - current liabilities			
Provision	16	534	1,044
Deferred tax liabilities		32,443	34,085
Total non - current liabilities		<u>32,977</u>	<u>35,129</u>
Current liabilities			
Provision	16	698	228
Income tax payable		2,639	3,223
Loans and borrowings	17	6,024	3,843
Trade and other payables		74,444	68,926
Total current liabilities		<u>83,805</u>	<u>76,220</u>
Total liabilities		<u>116,782</u>	<u>111,349</u>
Total equity and liabilities		<u>1,015,742</u>	<u>1,064,124</u>
Net Assets per Share (RM)		<u>7.25</u>	<u>7.69</u>
Net Tangible Assets per Share (RM)		<u>7.24</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 year	-	-	-	-	-	91,887	91,887
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	-	-	-	-	-	(27,357)	(27,357)
At 31 December 2012	123,956	133,946	398	(20,633)	115,347	599,761	952,775
At 1 January 2013	123,956	133,946	398	(20,633)	115,347	599,761	952,775
Net profit for the year	-	-	-	-	-	93,903	93,903
Final & Special dividend totalling 90 sen per share	-	-	-	-	-	(82,092)	(82,092)
Interim dividend totalling 32 sen per share	-	-	-	-	-	(29,182)	(29,182)
Special interim dividend totalling 30 sen per share	-	-	-	-	-	(36,444)	(36,444)
At 31 December 2013	123,956	133,946	398	(20,633)	115,347	545,946	898,960

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months ended	
	31 December 2013	31 December 2012
	RM'000	RM'000
Operating activities		
Profit before taxation	121,044	119,319
Adjustments for:		
Non-cash items		
Allowance for obsolete stock	134	127
Amortisation of prepaid lease payments	5	5
Amortisation of intangible assets	294	285
Bad debts written off	-	2
Depreciation of property, plant and equipment	44,234	42,698
Finance income	(13,940)	(16,105)
Finance cost	197	191
Intangible assets written off	-	1
Property, plant and equipment written off	467	1,591
Net gain on disposal of property, plant and equipment	(1,102)	(57)
Reversal on impairment loss on receivables	-	(10)
Reversal of provision for restoration costs	(371)	(781)
Reversal of provision for obsolete inventories	(55)	(413)
Share of results of joint venture	-	55
Share of results of associates	(15,248)	(12,196)
	<u>14,615</u>	<u>15,393</u>
Operating cash flows before changes in working capital	135,659	134,712
<u>Changes in working capital:</u>		
Change in inventories	(5,275)	(12,225)
Change in trade and other receivables	(17,301)	21,116
Change in trade and other payables	5,823	(10,349)
Total changes in working capital	<u>(16,753)</u>	<u>(1,458)</u>
Interest received	13,940	15,780
Interest paid	(171)	(162)
Income taxes paid	(29,070)	(31,797)
	<u>(15,301)</u>	<u>(16,179)</u>
Net cash flows from operating activities	103,605	117,075
Investing activities		
Purchase of property, plant and equipment	(33,089)	(30,261)
Net proceeds from disposal of property, plant and equipment	4,720	434
Dividend income	5,280	7,500
Purchase of intangible assets	(98)	(384)
Net cash flows used in investing activities	(23,187)	(22,711)
Financing activities		
Dividends Paid	(147,718)	(100,331)
Purchase of treasury shares	-	(20,633)
Net proceeds/(repayment) from borrowings	2,181	(2,352)
Net cash flows used in financing activities	(145,537)	(123,316)
Net decrease in cash and cash equivalents	(65,119)	(28,952)
Cash & cash equivalents at 1 January	465,577	494,529
Cash & cash equivalents at 31 December	<u>400,458</u>	<u>465,577</u>

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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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 the Main Market of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements were approved by the Board of Directors on 25 February 2014.

2. Accounting policies and methods of computation

These condensed consolidated interim financial statements, for the year ended 31 December 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's 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 accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2013, the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after the dates stated below:

Description	Effective for annual financial periods beginning on or after
Amendments to MFRS 101: Presentation of items of Other Comprehensive Income	1 July 2012
MFRS 3: Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10: Consolidated Financial Statements	1 January 2013
MFRS 11: Joint Arrangements	1 January 2013
MFRS 12: Disclosure of Interests of Other Entities	1 January 2013
MFRS 13: Fair Value Measurement	1 January 2013
MFRS 119: Employee Benefits	1 January 2013
MFRS 127: Separate Financial Statements (IAS 27 amended by IASB in May 2011)	1 January 2013
MFRS 128: Investments in Associates and Joint Ventures (IAS 28 amended by IASB in May 2011)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Annual Improvements 2009-2011 Cycle	1 January 2013
Amendments to MFRS 1: Government Loans	1 January 2013
Amendment to MFRS 10, MFRS 11 AND MFRS 12: Consolidated Financial Statements, Joint Arrangement and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

The adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

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3. Changes in accounting policy (con't)

MFRS 12 Disclosure of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangement, associates and structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. This standard affects disclosures only and has no impact on the Group's financial position or performance.

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 2013.

6. Segmental information

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

	Cement	Ready-mixed Concrete	All other segments	Adjustment and Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>31.12.2013</u>					
Segment revenue	483,406	166,071	5,887	-	655,364
Inter-segment revenue	(72,468)	-	(5,887)	-	(78,355)
Revenue from external customers	410,938	166,071	-	-	577,009
Segment profit/(loss)	97,045	815	(314)	(5,493)	92,053
Inter-segment elimination	(212)	212	-	-	-
	96,833	1,027	(314)	(5,493)	92,053
Segment profit/(loss)	97,045	815	(314)	(5,493)	92,053
Finance income	14,057	39	10	(166)	13,940
Finance cost	-	(363)	-	166	(197)
Share of profit from associates	-	-	-	15,248	15,248
Profit/(loss) before tax	111,102	491	(304)	9,755	121,044
<u>31.12.2012</u>					
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 of associates	-	-	-	12,196	12,196
Share of profit in joint venture	-	-	-	(55)	(55)
Profit/(loss) before tax	121,097	(4,689)	(287)	3,198	119,319

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6. Segmental information (con't)

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	31.12.2013	31.12.2012
	RM'000	RM'000
Malaysia	535,232	501,169
Outside Malaysia	41,777	63,371
	<u>577,009</u>	<u>564,540</u>

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

7. Seasonal or cyclical factors

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

8. Profit before tax

Included in the profit before tax are the following items:

	Note	Current quarter		Cumulative quarter	
		3 months ended		12 months ended	
		31 December	31 December	31 December	31 December
		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		2	1	5	5
Amortisation of intangible assets		75	80	294	285
Depreciation of property, plant and equipment	11	11,421	10,722	44,234	42,698
Bad debts written off		-	-	-	2
Allowance for obsolete stock		134	-	134	127
Finance income		(3,301)	(4,202)	(13,940)	(16,105)
Finance cost		81	58	197	191
Net Gain on disposal of property, plant and equipment		(543)	(39)	(1,102)	(57)
Inventory written off		190	-	190	-
Property, plant and equipment written off	11	154	779	467	1,591
(Gain)/Loss on foreign exchange - realised		(29)	117	(77)	-
Net fair value gain on derivatives		-	(23)	-	-
Rental income		(85)	(59)	(578)	(746)

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9. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(8,622)	(5,488)	(29,120)	(29,035)
- Prior year	-	75	337	748
	(8,622)	(5,413)	(28,783)	(28,287)
<u>Deferred tax</u>				
Origination and reversal of temporary differences	300	121	1,946	1,369
Under provision in respect of prior years	34	(53)	(304)	(514)
	(8,288)	(5,345)	(27,141)	(27,432)

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.

10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 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	27,256	20,753	93,903	91,887
Less : 6% Preference Dividend	-	-	(20)	(20)
Proportion of profit attributable to preference shareholders	(74)	(56)	(254)	(246)
	27,182	20,697	93,629	91,621
Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share	27,182	20,697	93,629	91,621
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 31 December	121,143	121,349	121,143	121,349
Basic earnings per share (sen) for Profit from continuing operations	22.44	17.06	77.29	75.50

(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	31 December
		2013	2012
		RM'000	RM'000
Net carrying amount:			
Balance at the beginning of year		334,481	348,886
Additions		33,089	30,261
Disposals		(3,618)	(377)
Less: Depreciation	8	(44,234)	(42,698)
Less: Written off	8	(467)	(1,591)
Balance at end of year		319,251	334,481

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12. Intangible assets

	Note	Computer software RM'000	Goodwill RM'000	Total RM'000
Cost:				
At 31 December 2012 and 1 January 2013		3,549	389	3,938
Additions		98	-	98
At 31 December 2013		<u>3,647</u>	<u>389</u>	<u>4,036</u>
Accumulated amortisation and impairment:				
At 31 December 2012 and 1 January 2013		2,586	-	2,586
Amortisation	8	294	-	294
At 31 December 2013		<u>2,880</u>	<u>-</u>	<u>2,880</u>
Net carrying amount:				
At 31 December 2012 and 1 January 2013		<u>963</u>	<u>389</u>	<u>1,352</u>
At 31 December 2013		<u>767</u>	<u>389</u>	<u>1,156</u>

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 current quarter and the twelve months ended 31 December 2013, the Group recognised a write-down of inventory spares of RM134,000 (2012: RM127,000) related to obsolete machinery parts. The write-down is included in cost of sales.

14. Cash and cash equivalents

	31 December 2013 RM'000	31 December 2012 RM'000
Cash at bank and in hand	17,417	20,955
Short term deposits	383,041	444,622
Total cash and cash equivalents	<u>400,458</u>	<u>465,577</u>

15. Changes in Debt and Equity Securities

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

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16. Provision

	31 December 2013	31 December 2012
	RM'000	RM'000
Balance at the beginning of year	1,272	1,532
Arose during the period and year	305	492
Unwinding of discount	26	29
Reversal of provision	(371)	(781)
Balance at end of year	<u>1,232</u>	<u>1,272</u>
At 31 December		
Current	<u>698</u>	<u>228</u>
Non-current:		
Later than 1 year but not later than 2 years	534	737
Later than 2 years but not later than 5 years	-	307
	<u>534</u>	<u>1,044</u>
	<u>1,232</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 management's best estimates.

17. Group borrowings and debts securities

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

	31 December 2013	31 December 2012
	RM'000	RM'000
Bankers' Acceptances (unsecured)	<u>6,024</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 ended 31 December 2013.

On 4 December 2013, the Company paid a single tier special interim dividend of 30 sen per share on the ordinary shares totalling RM36.343 million; and on the 6% Cumulative Participating Preference Shares totalling RM100,500 in respect of the financial year ended 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:

	31 December 2013	31 December 2012
	RM'000	RM'000
<u>Property, plant & equipment</u>		
- Contracted but not provided for and payable	10,930	13,520
- Authorised but not contracted for	11,420	12,926
	<u>22,350</u>	<u>26,446</u>

20. Contingencies

The contingent liabilities for the financial year ended 31 December 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.

	31 December 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 up to 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 RM155 million is higher than the corresponding quarter of previous year by RM21.2 million mainly attributable to higher local sales of cement and ready-mixed concrete. The Group achieved higher operating profit of RM28.4 million in the current quarter compared with RM18.8 million of the corresponding quarter of previous year mainly due to higher revenue. Higher share of profit from the Group's associated company also contributed to the Group's better performance for the reporting quarter. However lower interest income of RM3.3 million as compared with RM4.2 million of the corresponding quarter of previous year partly affected the Group's profit of the current quarter.

The cement segment achieved higher operating profit of RM27.8 million comparing with RM19.9 million of the previous year's corresponding quarter mainly due to higher sales revenue arising from the increase in local cement sales. Local cement sector's margin contribution increased marginally by 2.6% on quarter to quarter comparison mainly due to the competitive pricing among cement manufacturers in last year's corresponding quarter.

The concrete segment recorded a lower operating loss of RM296,000 in the current quarter compared with a loss of RM882,000 in the corresponding quarter of previous year mainly due to higher sales revenue arising from improved sales volume and pricing. However the profit margin of the concrete segment was partly affected by the rising cost of raw materials.

The Group's lower interest income of RM3.3 million for the current quarter as compared to RM4.2 million of the previous year's corresponding quarter has off-set the Group's higher profit before tax. The lower interest income was mainly due to lower yield and lower amount placed on time deposits.

Share of profit from the Group's associated company during the current quarter increased to RM4.0 million from previous year's corresponding quarter of RM3.2 million mainly due to higher sales volume and better profit margin.

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22. Review of performance (con't)

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

The Group's total revenue for the reporting year increased by RM12.5 million to RM577.0 million mainly due to higher sales recorded in both local cement and ready-mixed concrete sectors. Improved pricing in ready-mixed concrete also contributed to the current year's higher revenue. The Group's profit after tax for the current year increased to RM94 million from RM91.9 million of previous year mainly due to improved sales revenue and higher share of profit from the Group's associated company. However, the Group's profit was partly affected by the cement sector's competitive pricing and higher cost of production. Lower interest income also affected the group's current year profit.

The cement segment recorded a lower operating profit of RM90.4 million in the current year compared with RM94.4 million of the previous year despite a 10.4% increase in local sales volume mainly due to lower gross margin arising from the competitive pricing among manufacturers and higher cost of productions and higher plant maintenance expenses.

The concrete segment on the other hand recorded an operating loss of RM361,000 for the current year as compared to a loss of RM4.4 million of the previous year mainly due to improved concrete profit margin and lower operating cost. The margin improvement during the reporting year was due to improved selling price following higher raw materials cost of aggregates and sand. In addition, the concrete sector's margin was also partly impacted by the rising cost of transportation arising from the diesel price increase in petrol kiosk from 1st September 2013.

Interest income for the year decreased to RM13.9 million from RM16.1 million of previous year mainly due to lower yield and lower amount placed on time deposits.

Share of net profit from the Group's associated company increased to RM15.2 million compared with previous year's corresponding period of RM12.1 million 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 31 December 2013 RM'000	Immediate preceding quarter 30 September 2013 RM'000
Revenue	154,991	143,929
Net profit before tax	31,625	25,284
Share of profit of associates	3,919	4,195
Consolidated Profit before Tax	35,544	29,479

The Group's profit before tax for the current financial quarter increased to RM35.5 million compared with RM29.5 million announced for the immediate preceding quarter. The improved profit was contributed by the cement sector which recorded an increase in local cement sales and lower costs of productions. Likewise, the ready-mixed concrete sector too registered an improvement in performance with a lower operating loss of RM296,000 for the current financial quarter as compared with an operating loss of RM317,000 in the immediate preceding quarter mainly from the 5.9% increased in sales and better margins. The sector's margin improvement was from improved selling price adjustment but was partly off-set by the higher aggregates and sand costs. The continuous lower interest income during the current financial quarter have partly impacted the current quarter's profit.

24. Commentary on prospects

Despite the deferment of some of the projects under the Government's Economic Transformation Programme (ETP) and the slow down in the new projects launching by the private sectors, the construction sector's outlook for the first quarter of 2014 remain positive with the continuing progress in the construction of the MRT and LRT lines. Hence, the Group is expected to continue to maintain its positive performance for the first quarter of 2014.

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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 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

A proposed final single-tier dividend of 30 sen per share and special single-tier dividend of 60 sen per share (2012: final dividend of 30 sen per share less income tax of 25% and special dividend of 60 sen per share less income tax of 25%) on the Ordinary Shares and on the 6% Cumulative Participating Preference Shares have been recommended subject to approval of shareholders. In addition, the shareholders of the Preference Shares will be paid the 6 sen per share single tier Preference dividend.

Total Final and Special dividends per share:

	Current quarter RM'000 2013	Preceding corresponding quarter RM'000 2012
Ordinary (single tier, 2012: less income tax of 25%)	<u>90.0 sen</u>	<u>90.0 sen</u>
Preference (single tier)	<u>96.0 sen</u>	<u>96.0 sen</u>

The Final Dividend and Special Dividend, if approved by shareholders at the forthcoming Annual General Meeting, will be payable on 28 May 2014 to shareholders whose names appear in the Record of Depositors as at the close of business on 15 May 2014.

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 2014 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 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.

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

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33. Realised and Unrealised Profit Disclosure

The breakdown of the retained profits of the Group as at 31 December 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 31 December 2013 RM'000	As at 31 December 2012 RM'000
Total retained profits of the Group :		
- Realised	491,808	557,019
- Unrealised	<u>(32,443)</u>	<u>(34,085)</u>
	459,365	522,934
Total share of realised retained profits from associate and joint venture		
- Realised	88,229	77,468
- Unrealised	<u>(3,165)</u>	<u>(2,371)</u>
	544,429	598,031
Add: consolidation adjustments	<u>1,517</u>	<u>1,730</u>
Retained profits as per consolidated accounts	<u><u>545,946</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

25 FEBRUARY 2014
KUALA LUMPUR, MALAYSIA