

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

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

**Summary of Key Financial Information for the second financial quarter ended 30.6.2015**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	CURRENT YEAR QUARTER 30/06/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2014 RM'000	CURRENT YEAR TODATE 30/06/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2014 RM'000
1 Revenue	182,558	171,502	348,531	334,414
2 Profit/(Loss) before tax	41,252	40,553	72,559	72,799
3 Profit/(Loss) for the period	31,177	31,097	54,754	56,016
4 Profit/(Loss) attributable to ordinary equity holders of the parents	31,177	31,097	54,754	56,016
5 Basic earnings/(loss) per share (sen)	25.67	25.60	45.06	46.10
6 Proposed/Declared dividend per share (sen)	40 sen	40 sen	40 sen	40 sen
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
	5.9931		6.3355	

**Part A3 : ADDITIONAL INFORMATION**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	CURRENT YEAR QUARTER 30/06/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2014 RM'000	CURRENT YEAR TODATE 30/06/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2014 RM'000
1 Gross interest income	2,777	3,429	5,635	6,807
2 Gross interest expense	134	97	242	179

**TASEK CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2015 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue		182,558	171,502	348,531	334,414
Cost of sales		(111,919)	(108,850)	(219,907)	(217,002)
<b>Gross Profit</b>		<u>70,639</u>	<u>62,652</u>	<u>128,624</u>	<u>117,412</u>
Other income		531	1,864	1,264	2,221
Selling and Distribution Expenses		(28,552)	(24,909)	(53,581)	(48,828)
Administrative Expenses		(5,763)	(5,626)	(12,669)	(11,492)
<b>Operating profit</b>		<u>36,855</u>	<u>33,981</u>	<u>63,638</u>	<u>59,313</u>
Finance income	8	2,777	3,429	5,635	6,807
Finance costs	8	(134)	(97)	(242)	(179)
<b>Net finance income</b>		<u>2,643</u>	<u>3,332</u>	<u>5,393</u>	<u>6,628</u>
		39,498	37,313	69,031	65,941
Share of profit of associates, net of tax		1,754	3,240	3,528	6,858
Share of profit equity accounted in joint venture, net of tax		-	-	-	-
		1,754	3,240	3,528	6,858
<b>Profit before tax</b>	8	<u>41,252</u>	<u>40,553</u>	<u>72,559</u>	<u>72,799</u>
Income tax expense	9	(10,075)	(9,456)	(17,805)	(16,783)
<b>Profit net of tax, representing total comprehensive income for the period</b>		<u>31,177</u>	<u>31,097</u>	<u>54,754</u>	<u>56,016</u>
<b>Profit and total comprehensive income for the period attributable to :</b>					
Equity holders of the Company		<u>31,177</u>	<u>31,097</u>	<u>54,754</u>	<u>56,016</u>
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
- Basic and diluted	10	<u>25.67</u>	<u>25.60</u>	<u>45.06</u>	<u>46.10</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 JUNE 2015 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		30 June 2015 RM'000	31 December 2014 RM'000 (Audited)
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	11	295,053	306,688
Intangible assets	12	1,071	1,181
Prepaid lease payments		10	12
Investment in associates		98,918	110,390
Investment in a joint venture		1	1
Other receivables		3,094	3,266
<b>Total non - current assets</b>		<u>398,147</u>	<u>421,538</u>
<b>Current assets</b>			
Inventories	13	107,380	101,905
Trade and other receivables		98,708	97,585
Cash and bank balances	14	280,092	303,820
Tax recoverable		68	154
Derivative assets		30	-
<b>Total current assets</b>		<u>486,278</u>	<u>503,464</u>
<b>Total assets</b>		<u>884,425</u>	<u>925,002</u>
<b>Equity attributable to equity holders of the Company</b>			
Share Capital		123,956	123,956
Reserves		618,919	661,367
<b>Total equity</b>		<u>742,875</u>	<u>785,323</u>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Provision	16	1,016	874
Deferred tax liabilities		28,249	29,595
<b>Total non - current liabilities</b>		<u>29,265</u>	<u>30,469</u>
<b>Current liabilities</b>			
Provision	16	732	774
Income tax payable		6,262	4,044
Loans and borrowings	17	11,474	10,871
Trade and other payables		93,817	93,511
Derivatives		-	10
<b>Total current liabilities</b>		<u>112,285</u>	<u>109,210</u>
<b>Total liabilities</b>		<u>141,550</u>	<u>139,679</u>
<b>Total equity and liabilities</b>		<u>884,425</u>	<u>925,002</u>
Net Assets per Share (RM)		<u>5.99</u>	<u>6.34</u>
Net Tangible Assets per Share (RM)		<u>5.98</u>	<u>6.33</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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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company						Total RM'000
	Non - distributable				Distributable		
	Share capital RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Treasury Shares RM'000	General Reserve RM'000	Retained Profits RM'000	
At 1 January 2015	123,956	133,946	398	(20,633)	115,347	432,309	785,323
Net profit for the period	-	-	-	-	-	54,754	54,754
Final & Special dividend totalling 80 sen per share	-	-	-	-	-	(97,202)	(97,202)
At 30 June 2015	123,956	133,946	398	(20,633)	115,347	389,861	742,875
At 1 January 2014	123,956	133,946	398	(20,633)	115,347	545,946	898,960
Net profit for the period	-	-	-	-	-	56,016	56,016
Final & Special dividend totalling 90 sen per share	-	-	-	-	-	(109,350)	(109,350)
At 30 June 2014	123,956	133,946	398	(20,633)	115,347	492,612	845,626

**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**

	<b>6 Months ended</b>	
	<b>30 June 2015</b>	<b>30 June 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit before taxation	72,559	72,799
Adjustments for:		
Non-cash items		
Amortisation of prepaid lease payments	2	2
Amortisation of intangible assets	161	138
Depreciation of property, plant and equipment	23,736	22,237
Finance income	(5,635)	(6,807)
Finance cost	242	179
Inventories written off	-	525
Property, plant and equipment written off	75	92
Net gain on disposal of property, plant and equipment	(190)	(179)
Reversal of provision for restoration costs	(57)	(65)
Share of results of associates	(3,528)	(6,858)
Net fair value gain on derivatives (Note 8)	(30)	-
Waiver of advances in joint venture entity	-	100
	<u>14,776</u>	<u>9,364</u>
<b>Operating cash flows before changes in working capital</b>	<b>87,335</b>	<b>82,163</b>
<u>Changes in working capital:</u>		
Change in inventories	(5,475)	1,144
Change in trade and other receivables	(921)	30
Change in trade and other payables	423	6,461
Total changes in working capital	<u>(5,973)</u>	<u>7,635</u>
Interest received	5,635	6,807
Interest paid	(242)	(179)
Income taxes paid	<u>(16,847)</u>	<u>(13,427)</u>
	<u>(11,454)</u>	<u>(6,799)</u>
<b>Net cash flows from operating activities</b>	<b>69,908</b>	<b>82,999</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(12,536)	(13,316)
Net proceeds from disposal of property, plant and equipment	550	255
Dividend income	15,000	6,000
Decrease/(Increase) in deposits not for short-term funding requirements	10,000	(5,000)
Purchase of intangible assets	(51)	(113)
<b>Net cash flows from/(used in) investing activities</b>	<b>12,963</b>	<b>(12,174)</b>
<b>Financing activities</b>		
Dividends Paid	(97,202)	(109,350)
Net proceeds from borrowings	603	2,235
<b>Net cash flows used in financing activities</b>	<b>(96,599)</b>	<b>(107,115)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(13,728)</b>	<b>(36,290)</b>
<b>Cash &amp; cash equivalents at 1 January</b>	<b>208,820</b>	<b>160,458</b>
<b>Cash &amp; cash equivalents at 30 June</b>	<b>195,092</b>	<b>124,168</b>
	<u><u>195,092</u></u>	<u><u>124,168</u></u>

(Note 14)

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**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2015 - UNAUDITED**

**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 4 August 2015.

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

These condensed consolidated interim financial statements, for the period ended 30 June 2015, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Board 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 2014, 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 2014 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.

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 2014.

**3. Changes in accounting policy**

The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments that apply for the first time in 2015 do not have a material impact on the annual consolidated financial statements of the Group nor to the interim condensed consolidated financial statements of the Group.

**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 to the composition of the Group during the current quarter ended 30 June 2015.

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**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
<u>30.6.2015</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	281,010	114,244	56	-	395,310
Inter-segment revenue	(46,723)	-	(56)	-	(46,779)
Revenue from external customers	234,287	114,244	-	-	348,531
Segment profit/(loss)	76,434	2,697	(623)	(14,870)	63,638
Inter-segment elimination	(722)	617	105	-	-
	75,712	3,314	(518)	(14,870)	63,638
Segment profit/(loss)	76,434	2,697	(623)	(14,870)	63,638
Finance income	5,555	208	3	(131)	5,635
Finance cost	-	(373)	-	131	(242)
Share of profit from associates	-	-	-	3,528	3,528
Profit/(loss) before tax	81,989	2,532	(620)	(11,342)	72,559
<u>30.6.2014</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	282,367	85,236	2,599	-	370,202
Inter-segment revenue	(33,189)	-	(2,599)	-	(35,788)
Revenue from external customers	249,178	85,236	-	-	334,414
Segment profit/(loss)	65,764	(54)	(206)	(6,191)	59,313
Inter-segment elimination	(102)	102	-	-	-
	65,662	48	(206)	(6,191)	59,313
Segment profit/(loss)	65,764	(54)	(206)	(6,191)	59,313
Finance income	6,754	110	5	(62)	6,807
Finance cost	-	(241)	-	62	(179)
Share of profit of associates	-	-	-	6,858	6,858
Profit/(loss) before tax	72,518	(185)	(201)	667	72,799

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	30.6.2015	30.6.2014
	RM'000	RM'000
Malaysia	343,230	320,423
Outside Malaysia	5,301	13,991
	348,531	334,414

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 6 months ended	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
		RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):					
Amortisation of prepaid lease payments		1	1	2	2
Amortisation of intangible assets	12	82	71	161	138
Depreciation of property, plant and equipment	11	11,900	11,157	23,736	22,237
Waiver of advances in joint venture entity		-	100	-	100
Finance income		(2,777)	(3,429)	(5,635)	(6,807)
Finance cost		134	97	242	179
Net gain on disposal of property, plant and equipment		-	(159)	(190)	(179)
Inventories written off		-	525	-	525
Property, plant and equipment written off	11	1	91	75	92
Net Loss/(Gain) on foreign exchange - realised		1	(2)	(33)	(67)
Net fair value gain on derivatives		(30)	-	(30)	-
Reversal for provision for restoration cost	16	(1)	(18)	(57)	(65)
Rental income		(320)	(143)	(448)	(308)

There were no investment income, provision for write off of receivables and inventories, gain or loss on disposal of investments or properties, impairment of assets and other exceptional items in current financial period to date except as disclosed above.

**9. Income tax expense**

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(11,293)	(10,582)	(19,137)	(18,225)
- Prior year	-	(4)	-	(4)
	(11,293)	(10,586)	(19,137)	(18,229)
<u>Deferred tax</u>				
Origination of temporary differences	1,219	1,130	1,510	1,446
Over provision in respect of prior years	(1)	-	(178)	-
	(10,075)	(9,456)	(17,805)	(16,783)

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 6 months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
<b>(I) Basic earnings per share</b>				
Profit net of tax attributable to owners of the parent	31,177	31,097	54,754	56,016
Less : 6% Preference Dividend	-	-	(20)	(20)
Proportion of profit attributable to preference shareholders	(84)	(84)	(148)	(151)
Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share	<b>31,093</b>	<b>31,013</b>	<b>54,586</b>	<b>55,845</b>
Weighted average number of ordinary shares:				
Issued ordinary shares at 1 January ('000)	121,143	121,143	121,143	121,143
Effect of purchase of treasury shares ('000)	-	-	-	-
Weighted average number of ordinary shares in issue at 30 June ('000)	<b>121,143</b>	<b>121,143</b>	<b>121,143</b>	<b>121,143</b>
Basic earnings per share (sen) for Profit for the period	<b>25.67</b>	<b>25.60</b>	<b>45.06</b>	<b>46.10</b>

**(II) Diluted earnings per share**

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

**11. Property, plant and equipment**

	Note	30 June	31 December
		2015	2014
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year		306,688	319,251
Additions		12,536	34,065
Disposals		(360)	(1,036)
Less: Depreciation	<b>8</b>	(23,736)	(45,322)
Less: Written off	<b>8</b>	(75)	(270)
Balance at end of period/year		<b>295,053</b>	<b>306,688</b>

**12. Intangible assets**

	Note	30 June	31 December
		2015	2014
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year		1,181	1,156
Additions		51	311
Less: Amortisation	<b>8</b>	(161)	(286)
Balance at end of period/year		<b>1,071</b>	<b>1,181</b>

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.

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**13. Inventories**

During the six months ended 30 June 2015, 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 bank balances**

	30 June 2015	31 December 2014
	RM'000	RM'000
Cash at banks and on hand	42,482	32,000
Short term deposits with licensed banks	237,610	271,820
Cash and cash equivalents	280,092	303,820
Less: Short-term deposits more than three months	(85,000)	(95,000)
	<u>195,092</u>	<u>208,820</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 period to date.

**16. Provision**

	30 June 2015	31 December 2014
	RM'000	RM'000
Balance at the beginning of year	1,648	1,232
Arose during the period and year	123	549
Unwinding of discount	34	70
Reversal of provision	(57)	(50)
Payments during the period/year	-	(153)
Balance at end of period/year	<u>1,748</u>	<u>1,648</u>

**At 30 June 2015**

Current	732	774
Non-current:		
Later than 1 year but not later than 2 years	1,016	874
	<u>1,748</u>	<u>1,648</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.

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**17. Group borrowings and debts securities**

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

	30 June 2015	31 December 2014
	RM'000	RM'000
Bankers' Acceptances (unsecured)	11,474	10,871

**18. Dividends**

Since the end of the previous financial year, the Company paid a final dividend totalling RM96.914 million on 28 May 2015, comprising single-tier final dividend of 30 sen and single-tier special dividend of 50 sen per share on the ordinary shares and single-tier dividends totalling RM288,100 comprising preference dividend of 6 sen per share, single-tier final dividend of 30 sen per share and single-tier special dividend of 50 sen per share on the 6% Cumulative Participating Preference Shares in respect of the financial year ended 31 December 2014.

**19. Commitments**

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

	30 June 2015	30 June 2014
	RM'000	RM'000
<u>Property, plant &amp; equipment</u>		
- Approved and contracted for	17,946	16,017
- Approved but not contracted for	5,668	8,767
	<u>23,614</u>	<u>24,784</u>

**20. Contingencies**

There were no changes or any major contingent liabilities or assets arising at the date of issuance of this report.

**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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**22. Review of performance**

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

The Group achieved higher net revenue of RM183.0 million for the current quarter compared to RM172.0 million in the previous year's corresponding quarter mainly due to higher sales volume registered by both cement and ready-mixed concrete divisions. Despite the higher net revenue, the Group's current quarter profit after tax of RM31.2 million was only marginally higher than the previous year's corresponding quarter of RM31.1 million mainly due to lower interest income and lower share of profit from the Group's associated company.

The cement segment achieved higher operating profit of RM34.7 million in the reporting quarter compared with RM32.1 million recorded for the same quarter of previous year mainly contributed by the strong cement demand in the domestic market and lower cost of production. However, the segment's profit was partially affected by the lower net pricing arising from strong price competition in the domestic market.

The concrete segment registered a higher operating profit of RM1.28 million in the current quarter compared to a marginal loss of RM7,000 in the previous year's corresponding quarter mainly due to increase in sales volume and better profit margin from lower cost of production.

The Group's interest income of RM2.8 million for the current quarter was lower compared with RM3.4 million in the previous year's corresponding quarter due to lesser amount of funds placed on short term deposits.

Share of profit from the Group's associated company during the current quarter decreased to RM1.8 million from the previous year's corresponding quarter of RM3.2 million mainly due to lower cement sales volume registered in the Sabah market and increase in cost of sales arising from the higher cost of imported raw materials.

**(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 increased by RM14.0 million to RM349.0 million mainly due to higher sales volume recorded for both the cement and concrete divisions. However, despite the higher sales volumes, the group's profit after tax at RM54.8 million was lower when compared against RM56.0 million of the previous year's corresponding period mainly due to lower interest income and lower share of profit from the Group's associated company.

The cement segment's operating profit of RM59.6 million for the current period to date, was RM2.3 million higher compared to the previous year's corresponding period of RM57.3 million mainly due to the increase in the domestic demand for cement. Lower cost of production arising from lower coal cost and electricity rebates further improved the division's profits. However, the favourable results was partly affected by lower net pricing arising from strong price competition in the domestic market.

The concrete segment recorded an operating profit of RM2.5 million for the current period to date as compared to a loss of RM89,000 in the previous year's corresponding period mainly due to higher sales volume and improved profit margin arising from lower cost of production.

The Group's interest income of RM5.6 million for the current period to date was RM1.2 million lower than previous year mainly due to lesser amount of funds placed on short term deposits.

Share of profit from the Group's associated company dropped to RM3.5 million for the current period to date compared to the previous year of RM6.9 million mainly due to lower sales and higher production cost.

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**(Incorporated in Malaysia)**  
**and its subsidiaries**

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

	Current quarter 30 June 2015 RM'000	Immediate preceding quarter 31 March 2015 RM'000
Revenue	182,558	165,973
Net profit before tax	39,498	29,533
Share of profit of associates and joint venture	1,754	1,774
Consolidated Profit before Tax	41,252	31,307

The Group's profit before tax for the reporting quarter of RM41.3 million was higher than the RM31.3 million achieved in the immediate preceding quarter mainly due to higher sales from both cement and ready-mixed concrete in the domestic market arising from longer business cycle in the current quarter compared to the presence of festive holidays in the immediate preceding quarter. Lower production cost in both segments also contributed to the higher profit in the current financial quarter. However, lower interest income of RM2.71 million as compared with RM2.80 million in the immediate preceding quarter affected the Group's profit for the current quarter.

**24. Commentary on prospects**

The outlook for the construction sector for the third quarter is expected to remain positive despite the external economic challenges both global and domestic. However, the ongoing MRT projects and LRT line extensions are expected to continue to lead the construction sector's growth for the third quarter. Additionally, the pre-award phase for MRT Line 2 and LRT Line 3 is expected to gain traction in the second half of 2015 which will have an overall positive effect on the construction sector.

**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.

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**28. Dividends**

A single-tier interim ordinary dividend of 40 sen per share (2014: 40 sen per share ) on the Ordinary Shares and a single-tier interim ordinary dividend of 40 sen per share (2014: 40 sen per share) on the 6% Cumulative Participating Preference Shares have been declared and will be payable on 11 September 2015 to shareholders whose names appear in the Record of Depositors at the close of business on 19 August 2015.

Total interim dividend per share:

	Current quarter 30 June 2015	Preceding year corresponding quarter 30 June 2014
Ordinary (single-tier)	40.0 sen	40.0 sen
Preference (single-tier)	40.0 sen	40.0 sen

A Depositor shall qualify for entitlement only in respect of:

- (a) shares transferred into the Depositor's securities account before 4.00 p.m. on 19 August 2015 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**29. Derivative financial instruments**

The outstanding forward foreign currency exchange contracts as at 30 June 2015 are as follows:

<u>Type of Derivatives</u>	<u>Note</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Assets</u>	<u>Liabilities</u>
		RM'000	RM'000	RM'000	RM'000
Foreign Exchange Contracts - Less than 1 year	<b>34</b>	2,549	30	-	-

Forward foreign currency exchange contracts are entered into with licensed banks to hedge the Group's exposure to foreign exchange risk in respect of imported purchases by establishing the rate at which foreign currency assets will be settled.

These contracts are executed with credit-worthy/reputable financial institutions in Malaysia and as such, credit risk and liquidity risk in respect of non-performance by counterparties to these contracts is minimal.

The fair value of the forward foreign currency exchange contracts are subject to market risk. The fair value of the forward contracts may decline if the exchange rate of the underlying currency decreases.

There are no cash requirements for these derivatives.

Forward foreign currency exchange contracts are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

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

There were no gain/loss on fair value changes of financial liabilities for the current quarter ended (2nd Quarter of 2014 : Nil) .

**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.

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**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.

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

The breakdown of the retained profits of the Group as at 30 June 2015 and 31 December 2014 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 June 2015 RM'000	As at 31 December 2014 RM'000
Total retained profits of the Group :		
- Realised	338,149	370,627
- Unrealised	(28,249)	(29,595)
	<u>309,900</u>	<u>341,032</u>
Total share of retained profits from associate and jointly controlled entity :		
- Realised	81,745	92,689
- Unrealised	(3,219)	(2,691)
	<u>388,426</u>	<u>431,030</u>
Add: consolidation adjustments	1,435	1,279
Retained profits as per consolidated accounts	<u><u>389,861</u></u>	<u><u>432,309</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 held the following financial assets/(liabilities) that are measured at fair value:

		Level 2 30 June 2015 RM'000	Level 2 31 December 2014 RM'000
	<b>Note</b>		
Foreign Exchange Contracts	<b>29</b>	<u>30</u>	<u>(10)</u>

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

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN  
COMPANY SECRETARY

4 AUGUST 2015  
KUALA LUMPUR, MALAYSIA