

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 31.12.2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014 RM'000	CURRENT YEAR TODATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
1 Revenue	188,471	172,967	702,576	656,061
2 Profit/(Loss) before tax	23,572	36,125	119,818	136,322
3 Profit/(Loss) for the period	18,470	27,553	91,260	105,043
4 Profit/(Loss) attributable to ordinary equity holders of the parents	18,470	27,553	91,260	105,043
5 Basic earnings/(loss) per share (sen)	15.21	22.68	75.11	86.46
6 Proposed/Declared dividend per share (sen)	50 sen	80 sen	110 sen	170 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)		5.6996		6.3355

Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014 RM'000	CURRENT YEAR TODATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
1 Gross interest income	2,214	2,843	10,342	12,757
2 Gross interest expense	117	117	474	397

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FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue		188,471	172,967	702,576	656,061
Cost of sales		(128,650)	(111,929)	(463,484)	(431,367)
Gross Profit		59,821	61,038	239,092	224,694
Other (expense)/income		(332)	870	1,334	5,545
Selling and Distribution Expenses		(29,289)	(25,137)	(107,643)	(96,359)
Administrative Expenses		(8,807)	(6,440)	(27,717)	(23,852)
Operating profit		21,393	30,331	105,066	110,028
Finance income	8	2,214	2,843	10,342	12,757
Finance costs	8	(117)	(117)	(474)	(397)
Net finance income		2,097	2,726	9,868	12,360
		23,490	33,057	114,934	122,388
Share of profit of associates, net of tax		81	3,068	4,884	13,933
Share of results of joint venture, net of tax		1	-	-	1
		82	3,068	4,884	13,934
Profit before tax	8	23,572	36,125	119,818	136,322
Income tax expense	9	(5,102)	(8,572)	(28,558)	(31,279)
Profit net of tax, representing total comprehensive income for the quarter/period ended		18,470	27,553	91,260	105,043
Profit and total comprehensive income for the quarter/period ended attributable to :					
Equity holders of the Company		18,470	27,553	91,260	105,043
Earnings per share attributable to equity holders of the Company (sen per share):					
- Basic and diluted	10	15.21	22.68	75.11	86.46

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 2015 RM'000	31 December 2014 RM'000 (Audited)
Assets			
Non - current assets			
Property, plant and equipment	11	291,793	306,688
Intangible assets	12	1,891	1,181
Prepaid lease payments		7	12
Investment in associates		100,274	110,390
Investment in a joint venture		-	1
Other receivables		2,204	3,266
Total non - current assets		<u>396,169</u>	<u>421,538</u>
Current assets			
Inventories	13	97,907	101,905
Trade and other receivables		108,958	97,585
Tax recoverable		105	154
Cash and bank balances	14	242,263	303,820
Total current assets		<u>449,233</u>	<u>503,464</u>
Total assets		<u>845,402</u>	<u>925,002</u>
Equity attributable to equity holders of the Company			
Share Capital		123,956	123,956
Reserves		582,538	661,367
Total equity		<u>706,494</u>	<u>785,323</u>
Liabilities			
Non - current liabilities			
Provision	16	889	874
Deferred tax liabilities		25,793	29,595
Total non - current liabilities		<u>26,682</u>	<u>30,469</u>
Current liabilities			
Provision	16	932	774
Income tax payable		787	4,044
Loans and borrowings	17	11,061	10,871
Trade and other payables		99,446	93,511
Derivative liabilities		-	10
Total current liabilities		<u>112,226</u>	<u>109,210</u>
Total liabilities		<u>138,908</u>	<u>139,679</u>
Total equity and liabilities		<u>845,402</u>	<u>925,002</u>
Net Assets per Share (RM)		<u>5.70</u>	<u>6.34</u>
Net Tangible Assets per Share (RM)		<u>5.68</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 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 2015	123,956	133,946	398	(20,633)	115,347	432,309	785,323
Net profit for the year	-	-	-	-	-	91,260	91,260
Final & Special dividend totalling 80 sen per share in respect of the financial year ended 31 December 2014	-	-	-	-	-	(97,202)	(97,202)
First interim dividend totalling 40 sen per share in respect of the financial year ended 31 December 2015	-	-	-	-	-	(48,591)	(48,591)
Second interim dividend totalling 20 sen per share in respect of the financial year ended 31 December 2015	-	-	-	-	-	(24,296)	(24,296)
At 31 December 2015	123,956	133,946	398	(20,633)	115,347	353,480	706,494
At 1 January 2014	123,956	133,946	398	(20,633)	115,347	545,946	898,960
Net profit for the year	-	-	-	-	-	105,043	105,043
Final & Special dividend totalling 90 sen per share in respect of the financial year ended 31 December 2013	-	-	-	-	-	(109,350)	(109,350)
Interim dividend totalling 40 sen per share in respect of the financial year ended 31 December 2014	-	-	-	-	-	(48,591)	(48,591)
Special interim dividend totalling 50 sen per share in respect of the financial year ended 31 December 2014	-	-	-	-	-	(60,739)	(60,739)
At 31 December 2014	123,956	133,946	398	(20,633)	115,347	432,309	785,323

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 2015	31 December 2014
	RM'000	RM'000
<u>Operating activities</u>		
Profit before taxation	119,818	136,322
<u>Adjustments for:</u>		
Allowance for obsolete stock	50	310
Amortisation of intangible assets	364	286
Amortisation of prepaid lease payments	5	5
Depreciation of property, plant and equipment	48,340	45,322
Finance cost	474	397
Finance income	(10,342)	(12,757)
Impairment loss/(reversal) on receivables	229	(59)
Inventories written off	-	267
Investment in joint venture entity written off	1	-
Net fair value loss on derivatives	-	10
Net loss/(gain) on disposal of property, plant and equipment	46	(469)
Property, plant and equipment written off	460	270
Reversal of provision for restoration costs	(6)	(50)
Share of results of associates	(4,884)	(13,933)
Share of results of joint venture entity	-	(1)
Waiver of advances in joint venture entity	-	101
	<u>34,737</u>	<u>19,699</u>
Operating cash flows before changes in working capital	154,555	156,021
<u>Changes in working capital:</u>		
Change in inventories	3,948	4,389
Change in trade and other receivables	(10,540)	(18,362)
Change in trade and other payables	6,079	19,464
Total changes in working capital	<u>(513)</u>	<u>5,491</u>
Interest received	10,342	12,757
Interest paid	(449)	(327)
Income taxes paid	(35,568)	(32,876)
	<u>(25,675)</u>	<u>(20,446)</u>
Net cash flows from operating activities	128,367	141,066
<u>Investing activities</u>		
Purchase of property, plant and equipment	(34,703)	(34,065)
Net proceeds from disposal of property, plant and equipment	752	1,505
Dividend income	15,000	9,000
Withdrawal of short term deposits more than three months	20,000	145,000
Purchase of intangible assets	(1,074)	(311)
Net cash flows (used in)/generated from investing activities	(25)	121,129
<u>Financing activities</u>		
Dividends paid	(170,089)	(218,680)
Net proceeds from loans & borrowings	190	4,847
Net cash flows used in financing activities	(169,899)	(213,833)
Net (decrease)/increase in cash and cash equivalents	(41,557)	48,362
Cash & cash equivalents at 1 January	208,820	160,458
Cash & cash equivalents at 31 December (Note 14)	167,263	208,820

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these 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 16 February 2016.

2. Accounting policies and methods of computation

These condensed consolidated interim financial statements, for the year ended 31 December 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.

On 1 January 2015, the Group adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 January 2015:

Description	Effective for annual financial periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

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 period having a material impact in the current reporting period.

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5. Changes in composition of the Group

There were no changes to the composition of the Group during the current quarter ended 31 December 2015.

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
<u>31.12.2015</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	560,324	241,194	235	-	801,753
Inter-segment revenue	(98,942)	-	(235)	-	(99,177)
Revenue from external customers	461,382	241,194	-	-	702,576
Segment profit/(loss)	114,548	6,354	(1,178)	(14,658)	105,066
Inter-segment elimination	(1,408)	1,196	212	-	-
	113,140	7,550	(966)	(14,658)	105,066
Segment profit/(loss)	114,548	6,354	(1,178)	(14,658)	105,066
Finance income	10,109	447	3	(217)	10,342
Finance cost	-	(691)	-	217	(474)
Share of profit from associates	-	-	-	4,884	4,884
Profit/(loss) before tax	124,657	6,110	(1,175)	(9,774)	119,818
<u>31.12.2014</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	547,487	176,251	4,195	-	727,933
Inter-segment revenue	(67,677)	-	(4,195)	-	(71,872)
Revenue from external customers	479,810	176,251	-	-	656,061
Segment profit/(loss)	118,858	1,147	(626)	(9,351)	110,028
Inter-segment elimination	(206)	206	-	-	-
	118,652	1,353	(626)	(9,351)	110,028
Segment profit/(loss)	118,858	1,147	(626)	(9,351)	110,028
Finance income	12,708	263	9	(223)	12,757
Finance cost	-	(620)	-	223	(397)
Share of profit of associates	-	-	-	13,933	13,933
Share of profit in joint venture	-	-	-	1	1
Profit/(loss) before tax	131,566	790	(617)	4,583	136,322

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Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	31.12.2015	31.12.2014
	RM'000	RM'000
Malaysia	697,275	637,305
Outside Malaysia	5,301	18,756
	<u>702,576</u>	<u>656,061</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 2015	31 December 2014	31 December 2015	31 December 2014
		RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):					
Amortisation of prepaid lease payments		1	2	5	5
Amortisation of intangible assets	12	118	76	364	286
Depreciation of property, plant and equipment	11	12,531	11,731	48,340	45,322
Waiver of advances in joint venture entity		-	-	-	101
Allowance for obsolete stock		50	310	50	310
Finance income		(2,214)	(2,843)	(10,342)	(12,757)
Finance cost		117	117	474	397
Net loss/(gain) on disposal of property, plant and equipment		227	(217)	46	(469)
Inventories (written back)/written off		-	(258)	-	267
Impairment loss/(reversal) on receivables		-	-	229	(59)
Investment in joint venture written off		-	-	1	-
Property, plant and equipment written off	11	329	92	460	270
Net Loss/(Gain) on foreign exchange - realised		122	(100)	(70)	(179)
Net fair value loss on derivatives		158	10	-	10
Provision/(reversal) for restoration cost	16	34	15	(6)	(50)
Rental income		(161)	(147)	(706)	(612)

There were no investment income, gain or loss on disposal of investments or properties, impairment of assets and other exceptional items in current financial year to date except as disclosed above.

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9. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(7,257)	(9,176)	(32,552)	(34,163)
- Prior year	(56)	8	192	36
	(7,313)	(9,168)	(32,360)	(34,127)
<u>Deferred tax</u>				
Origination of temporary differences	1,157	664	2,856	2,890
Effect on decrease in Malaysian income tax rate	1,191	-	1,191	-
Under provision in respect of prior years	(137)	(68)	(245)	(42)
	(5,102)	(8,572)	(28,558)	(31,279)

The Group's effective tax rate for the current quarter is below the statutory tax rate of 25% in Malaysia mainly due to effect on the change in tax rate affecting deferred tax provision.

10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
<u>(I) Basic earnings per share</u>				
Profit net of tax attributable to equity holders of the Company	18,470	27,553	91,260	105,043
Less : 6% Preference Dividend	-	-	(20)	(20)
Proportion of profit attributable to preference shareholders	(50)	(74)	(247)	(284)
	18,420	27,479	90,993	104,739
Profit net of tax attributable to equity holders of the Company used in the computation of basic earnings per share				
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 31 December ('000)	121,143	121,143	121,143	121,143
Basic earnings per share (sen) for Profit for the year	15.21	22.68	75.11	86.46

(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	31 December 2015	31 December 2014
		RM'000	RM'000
Net carrying amount:			
Balance at the beginning of year		306,688	319,251
Additions		34,703	34,065
Disposals		(798)	(1,036)
Less: Depreciation	8	(48,340)	(45,322)
Less: Written off	8	(460)	(270)
Balance at end of year		291,793	306,688

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12. Intangible assets

	Note	31 December 2015	31 December 2014
		RM'000	RM'000
Net carrying amount:			
Balance at the beginning of year		1,181	1,156
Additions		1,074	311
Less: Amortisation	8	(364)	(286)
Balance at end of year		<u>1,891</u>	<u>1,181</u>

13. Inventories

During the year ended 31 December 2015, the Group recognised a write-down of inventory spares of RM321,000 (2014: RM267,000) related to obsolete machinery parts. The write-down was against the allowance for obsolete inventory account.

14. Cash and bank balances

	31 December 2015	31 December 2014
	RM'000	RM'000
Cash at banks and on hand	41,743	32,000
Short term deposits with licensed banks	200,520	271,820
Cash and cash equivalents	242,263	303,820
Less: Short-term deposits more than three months	(75,000)	(95,000)
	<u>167,263</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 year to date.

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16. Provision

	Note	31 December 2015 RM'000	31 December 2014 RM'000
Balance at the beginning of year		1,648	1,232
Arose during the period and year		194	549
Unwinding of discount		25	70
Reversal of provision	8	(6)	(50)
Payments during the year		(40)	(153)
Balance at end of year		1,821	1,648

At 31 December 2015

Current	932	774
Non-current:		
Later than 1 year but not later than 5 years	889	874
	1,821	1,648

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 2015 RM'000	31 December 2014 RM'000
Bankers' Acceptances (unsecured)	11,061	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.

On 11 September 2015, the Company paid a first interim dividend comprising single-tier dividend of 40 sen on the ordinary shares totalling RM48.457 million and single-tier dividend of 40 sen per share on the 6% Cumulative Participating Preference Shares totalling RM134,000 in respect of the financial year ended 31 December 2015.

On 9 December 2015, the Company paid a second interim dividend comprising single-tier dividend of 20 sen on the ordinary shares totalling RM24.229 million and single-tier dividend of 20 sen per share on the 6% Cumulative Participating Preference Shares totalling RM67,000 in respect of the financial year ended 31 December 2015.

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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 2015	31 December 2014
	RM'000	RM'000
<u>Property, plant & equipment</u>		
- Approved and contracted for	4,483	13,787
- Approved but not contracted for	7,165	8,178
	<u>11,648</u>	<u>21,965</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.

22. Review of performance

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

The Group achieved higher net revenue of RM188.5 million for the current quarter compared to RM173.0 million in the previous year's corresponding quarter due to higher volume of sales registered by both cement and ready-mixed concrete divisions. Despite the higher net revenue, the Group's current quarter profit after tax of RM18.4 million was lower than the previous year's corresponding quarter of RM27.6 million mainly due to lower profit margin from the cement segment arising from intense price competition in the domestic market and higher production cost. Lower interest income and lower share of profit from the Group's associated company during the quarter also affected the Group's profit for the reporting quarter.

The cement segment registered a higher net revenue of RM150.5 million for the current quarter compared to RM141.6 million in the previous year's corresponding quarter mainly from higher volume of sales in the domestic market. However, despite the higher revenue, the operating profit of RM19.9 million was lower than previous year's corresponding quarter of RM29.1 million due to lower net pricing in the domestic market arising from intense price competition and higher production cost.

The concrete segment recorded a higher operating profit of RM1.7 million in the current quarter on net revenue of RM64.5 million comparing with RM686,000 operating profit and RM52.0 million net revenue in the previous year's corresponding quarter mainly due to higher sales volume and better margin from lower production costs.

The Group's interest income of RM2.2 million for the current quarter was lower compared with RM2.8 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 RM81,000 from the previous year's corresponding quarter of RM3.0 million mainly due to lower cement sales in the Sabah market and higher cost of imported raw materials.

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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 reporting year increased by RM46.5 million to RM702.6 million compared to the corresponding period to date of previous year. The increase was mainly from higher sales volume recorded for both the cement and concrete divisions. However, despite the higher revenue, the group's profit after tax at RM91.3 million was lower than the profit after tax of RM105.0 million the previous year mainly due to lower profit from the cement segment compounded by the lower interest income and lower share of profit from the Group's associated company in the reporting year.

The cement segment registered a higher net revenue of RM560.3 million for the current period to date compared to RM547.5 million of the corresponding period to date of previous year mainly contributed by higher cement demand in the domestic market. However despite the higher net revenue, the operating profit of RM96.8 million was lower than operating profit of RM104.4million of the corresponding period to date of previous year mainly due to lower net pricing from the intense price competition in the domestic market.

The concrete segment recorded a higher net revenue of RM241.2 million and operating profit of RM6.2 million for the current period to date compared to RM176.3 million and RM676,000 respectively of the corresponding period to date of previous year. Higher sales volume coupled with improved margin from lower costs of production contributed to the concrete segment's improved performance.

The Group's interest income of RM10.3 million for the current period to date was RM2.4 million lower than the corresponding period to date of previous year mainly due to lesser amount of funds placed on short term deposits.

Share of profit from the Group's associated company was reduced to RM4.9 million in the current period to date compared to RM13.9 million of the corresponding period to date of previous year mainly due to lower cement sales in the Sabah market compounded by the lower margin arising from the rising cost of imported raw materials following the depreciation of the Malaysian Ringgit against the US Dollar.

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

	Current quarter 31 December 2015 RM'000	Immediate preceding quarter 30 September 2015 RM'000
Revenue	188,471	165,574
Net profit before tax	23,490	22,413
Share of profit of associates and joint venture	82	1,274
Consolidated profit before tax	23,572	23,687

The Group's profit before tax for the current quarter of RM23.6 million was marginally lower compared with RM23.7 million in the immediate preceding quarter despite RM22.9 million increase in the Group's total net revenue. Lower interest income and lower share of profit from the Group's associated company were the main reasons that affected the Group's profit for the current quarter compared with the immediate quarter.

24. Commentary on prospects

The outlook for the domestic construction sector in the first quarter of 2016 is expected to remain challenging with the expected decline in oil and gas revenue for the Government due to the decline in global crude oil prices and the effects of depreciation of the Malaysian Ringgit. However, the infrastructure projects such as the Klang Valley MRT Line 1, MRT Line 2 and LRT Line 3 coupled with some private sector projects such as the Bukit Bintang City Center (BBCC), KL118, TRX and Bandar Malaysia are expected to lead the construction sector's growth for 2016.

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.

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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 50 sen per share (2014: single-tier 30 sen per share and special single-tier dividend of 50 sen per share) on the Ordinary Shares and on the 6% Cumulative Participating Preference Shares have been recommended subject to approval of shareholders.

Total Final and Special dividends per share:

	Current quarter 31 December 2015	Preceding year corresponding quarter 31 December 2014
Ordinary (single-tier)	<u>50.0 sen</u>	<u>80.0 sen</u>
Preference (single-tier)	<u>50.0 sen</u>	<u>80.0 sen</u>

The final dividend, if approved by shareholders at the forthcoming Annual General Meeting, will be payable on 30 May 2016 to shareholders whose names appear in the Record of Depositors as at the close of business on 16 May 2016.

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 16 May 2016 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 assets and liabilities

There were no gain/loss on fair value changes of financial assets and liabilities for the current quarter ended (4th 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 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 or (Losses) Disclosure

The breakdown of the retained profits of the Group as at 31 December 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 31 December 2015 RM'000	As at 31 December 2014 RM'000
Total retained profits of the Group :		
- Realised	297,743	370,627
- Unrealised	<u>(25,793)</u>	<u>(29,595)</u>
	271,950	341,032
Total share of retained profits from associate and jointly controlled entity :		
- Realised	83,101	92,689
- Unrealised	<u>(3,219)</u>	<u>(2,691)</u>
	351,832	431,030
Add: consolidation adjustments	1,648	1,279
Retained profits as per consolidated accounts	<u>353,480</u>	<u>432,309</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.

	Level 2 31 December 2015 RM'000	Level 2 31 December 2014 RM'000
Note		
Foreign Exchange Contracts	29	<u>-</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

16 FEBRUARY 2016
KUALA LUMPUR, MALAYSIA