

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

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

Summary of Key Financial Information for the first quarter ended 31.3.2017 - Unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2016 RM'000	CURRENT YEAR TODATE 31/03/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2016 RM'000
1 Revenue	132,327	170,981	132,327	170,981
2 Profit/(Loss) before tax	4,778	29,623	4,778	29,623
3 Profit/(Loss) for the period	3,560	22,673	3,560	22,673
4 Profit/(Loss) attributable to ordinary equity holders of the parents	3,560	22,673	3,560	22,673
5 Basic earnings/(loss) per share (sen)	2.91	18.65	2.91	18.65
6 Proposed/Declared dividend per share (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)		5.3502		5.3214

Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2016 RM'000	CURRENT YEAR TODATE 31/03/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2016 RM'000
1 Gross interest income	1,758	2,429	1,758	2,429
2 Gross interest expense	136	115	136	115

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue		132,327	170,981	132,327	170,981
Cost of sales		(99,510)	(111,738)	(99,510)	(111,738)
Gross Profit		<u>32,817</u>	<u>59,243</u>	<u>32,817</u>	<u>59,243</u>
Other (expense)/income		438	195	438	195
Selling and Distribution Expenses		(24,531)	(25,849)	(24,531)	(25,849)
Administrative Expenses		(6,189)	(6,695)	(6,189)	(6,695)
Operating profit		<u>2,535</u>	<u>26,894</u>	<u>2,535</u>	<u>26,894</u>
Finance income	8	1,758	2,429	1,758	2,429
Finance costs	8	(136)	(115)	(136)	(115)
Net finance income		<u>1,622</u>	<u>2,314</u>	<u>1,622</u>	<u>2,314</u>
		<u>4,157</u>	<u>29,208</u>	<u>4,157</u>	<u>29,208</u>
Share of results of associates, net of tax		621	415	621	415
Profit before tax	8	<u>4,778</u>	<u>29,623</u>	<u>4,778</u>	<u>29,623</u>
Income tax expense	9	(1,218)	(6,950)	(1,218)	(6,950)
Profit net of tax, representing total comprehensive income for the quarter/ period ended		<u><u>3,560</u></u>	<u><u>22,673</u></u>	<u><u>3,560</u></u>	<u><u>22,673</u></u>
Profit and total comprehensive income for the quarter/period ended attributable to :					
Equity holders of the Company		<u><u>3,560</u></u>	<u><u>22,673</u></u>	<u><u>3,560</u></u>	<u><u>22,673</u></u>
Earnings per share attributable to equity holders of the Company (sen per share):					
- Basic and diluted	10	<u><u>2.91</u></u>	<u><u>18.65</u></u>	<u><u>2.91</u></u>	<u><u>18.65</u></u>

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 March 2017 RM'000	31 December 2016 RM'000 (Audited)
Assets	Note		
Non - current assets			
Property, plant and equipment	11	255,064	262,067
Intangible assets	12	1,546	1,625
Prepaid lease payments		1	3
Investment in associates		78,002	80,380
Other receivables		942	1,195
Total non - current assets		<u>335,555</u>	<u>345,270</u>
Current assets			
Inventories	13	130,230	100,621
Trade and other receivables		110,879	113,300
Tax recoverable		7,353	5,118
Cash and bank balances	14	206,831	222,550
Total current assets		<u>455,293</u>	<u>441,589</u>
Total assets		<u><u>790,848</u></u>	<u><u>786,859</u></u>
Equity attributable to equity holders of the Company			
Share Capital		258,300	123,956
Reserves		404,882	535,666
Total equity		<u>663,182</u>	<u>659,622</u>
Liabilities			
Non - current liabilities			
Provision	16	1,128	1,292
Deferred tax liabilities		21,796	22,504
Total non - current liabilities		<u>22,924</u>	<u>23,796</u>
Current liabilities			
Provision	16	729	1,256
Income tax payable		-	206
Loans and borrowings	17	13,023	13,818
Trade and other payables		90,990	88,161
Total current liabilities		<u>104,742</u>	<u>103,441</u>
Total liabilities		<u>127,666</u>	<u>127,237</u>
Total equity and liabilities		<u><u>790,848</u></u>	<u><u>786,859</u></u>
Net Assets per Share (RM)		<u>5.35</u>	<u>5.32</u>
Net Tangible Assets per Share (RM)		<u>5.34</u>	<u>5.31</u>

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 - UNAUDITED

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 2017	123,956	133,946	398	(20,633)	115,347	306,608	659,622
Reclassification under Section 618(2) of CA 2016 (*)	134,344	(133,946)	(398)	-	-	-	-
Net profit for the period	-	-	-	-	-	3,560	3,560
At 31 March 2017	258,300	-	-	(20,633)	115,347	310,168	663,182
At 1 January 2016	123,956	133,946	398	(20,633)	115,347	353,480	706,494
Net profit for the period	-	-	-	-	-	22,673	22,673
At 31 March 2016	123,956	133,946	398	(20,633)	115,347	376,153	729,167

(*) Nominal value in shares have been abolished with effect 31 January 2017 by Section 74, Companies Act 2016. Effectively, any amount standing to the credit of the share premium account and capital redemption reserve shall become part of the share capital.

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

	3 Months ended	
	31 March 2017	31 March 2016
	RM'000	RM'000
<u>Operating activities</u>		
Profit before taxation	4,778	29,623
<u>Adjustments for:</u>		
Amortisation of intangible assets	106	114
Amortisation of prepaid lease payments	2	1
Depreciation of property, plant and equipment	12,100	12,077
Finance cost	136	115
Finance income	(1,758)	(2,429)
Net fair value loss on derivatives	-	377
Net gain on disposal of property, plant and equipment	(23)	-
Property, plant and equipment written off	51	104
Reversal of provision for Voluntary Separation Scheme	(40)	-
Share of results of associates	(621)	(415)
	9,953	9,944
Operating cash flows before changes in working capital	14,731	39,567
<u>Changes in working capital:</u>		
Change in inventories	(29,609)	(8,093)
Change in trade and other receivables	2,673	2,359
Change in trade and other payables	2,178	(13,337)
Total changes in working capital	(24,758)	(19,071)
Interest received	1,758	2,429
Interest paid	(136)	(115)
Income taxes paid	(4,367)	(8,174)
	(2,745)	(5,860)
Net cash flows (used in)/generated from operating activities	(12,772)	14,636
<u>Investing activities</u>		
Purchase of property, plant and equipment	(5,262)	(2,543)
Net proceeds from disposal of property, plant and equipment	137	-
Dividend income	3,000	9,000
Placement of short term deposits more than three months	(19,000)	-
Purchase of intangible assets	(27)	(23)
Net cash flows (used in)/generated from investing activities	(21,152)	6,434
<u>Financing activities</u>		
Net repayments of loans & borrowings	(795)	(1,980)
Net cash flows used in financing activities	(795)	(1,980)
Net (decrease)/increase in cash and cash equivalents	(34,719)	19,090
Cash & cash equivalents at 1 January	201,550	167,263
Cash & cash equivalents at 31 March (Note 14)	166,831	186,353

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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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 27 April 2017.

2. Accounting policies and methods of computation

These condensed consolidated interim financial statements, for the period ended 31 March 2017, 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 2016, 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 2016 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 2016.

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 2017 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 2017, the Group adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 January 2017:

Description	Effective for annual financial periods beginning on or after
MFRS 107: Disclosures Initiatives (Amendments to MFRS 107)	1 January 2017
MFRS 112: Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycle	
(i) Amendments to MFRS 12: Disclosure of Interests in Other Entities	1 January 2017

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MFRSs and Amendments to MFRSs issued but not yet effective

At the date of issuance of the condensed consolidated interim financial statements, the following Standards were issued but not yet effective and have not been adopted by the Group.

	Effective for annual financial periods beginning on or after
Annual Improvements to MFRSs 2014 – 2016 Cycle	
(i) Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
(ii) Amendments to MFRS 128: Investments in Associates and Joint Ventures	1 January 2018
MFRS 2: Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
MFRS 16: Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standards and amendments will not have any material effect on the financial performance or position of the Group and the Company.

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.

5. Changes in composition of the Group

There were no changes to the composition of the Group during the current quarter ended 31 March 2017.

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>31.3.2017</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	97,055	57,232	1,263	-	155,550
Inter-segment revenue	(21,960)	-	(1,263)	-	(23,223)
Revenue from external customers	<u>75,095</u>	<u>57,232</u>	<u>-</u>	<u>-</u>	<u>132,327</u>
Segment profit/(loss)	4,649	1,047	(89)	(3,072)	2,535
Inter-segment elimination	(353)	300	53	-	-
	<u>4,296</u>	<u>1,347</u>	<u>(36)</u>	<u>(3,072)</u>	<u>2,535</u>
Segment profit/(loss)	4,649	1,047	(89)	(3,072)	2,535
Finance income	1,700	66	1	(9)	1,758
Finance cost	-	(145)	-	9	(136)
Share of profit from associates	-	-	-	621	621
Profit/(loss) before tax	<u>6,349</u>	<u>968</u>	<u>(88)</u>	<u>(2,451)</u>	<u>4,778</u>

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	Cement	Ready-mixed Concrete	All other segments	Adjustment and Elimination	Total
31.3.2016	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	137,623	57,308	579	-	195,510
Inter-segment revenue	(23,950)	-	(579)	-	(24,529)
Revenue from external customers	113,673	57,308	-	-	170,981
Segment profit/(loss)	34,960	1,358	(232)	(9,192)	26,894
Inter-segment elimination	(353)	300	53	-	-
	34,607	1,658	(179)	(9,192)	26,894
Segment profit/(loss)	34,960	1,358	(232)	(9,192)	26,894
Finance income	2,366	96	-	(33)	2,429
Finance cost	-	(148)	-	33	(115)
Share of profit of associates	-	-	-	415	415
Profit/(loss) before tax	37,326	1,306	(232)	(8,777)	29,623

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	31.3.2017	31.3.2016
	RM'000	RM'000
Malaysia	132,327	170,981
Outside Malaysia	-	-
	132,327	170,981

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 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 3 months ended		Cumulative quarter 3 months ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of prepaid lease payments	2	1	2	1
Amortisation of intangible assets	12	114	106	114
Depreciation of property, plant and equipment	11	12,077	12,100	12,077
Finance income	(1,758)	(2,429)	(1,758)	(2,429)
Finance cost	136	115	136	115
Net gain on disposal of property, plant and equipment	(23)	-	(23)	-
Property, plant and equipment written off	11	104	51	104
Net loss on foreign exchange - realised	1	1	1	1
Net fair value loss on derivatives	-	377	-	377
Reversal of provision for voluntary separation scheme	(40)	-	(40)	-
Rental income	(243)	(192)	(243)	(192)

There were no investment income, 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.

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9. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(1,926)	(7,318)	(1,926)	(7,318)
- Prior year	-	13	-	13
	(1,926)	(7,305)	(1,926)	(7,305)
<u>Deferred tax</u>				
Reversal of temporary differences	712	193	712	193
(Under)/Over provision in respect of prior years	(4)	162	(4)	162
	(1,218)	(6,950)	(1,218)	(6,950)

The Group's effective tax rate for the current quarter is above the statutory tax rate of 24% (2016: 24%) in Malaysia mainly due to non tax-deductible expenses.

10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	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	3,560	22,673	3,560	22,673
Less : 6% Preference Dividend	(20)	(20)	(20)	(20)
Less : Proportion of profit attributable to preference shareholders	(10)	(61)	(10)	(61)
Profit net of tax attributable to equity holders of the Company used in the computation of basic earnings per share	3,530	22,592	3,530	22,592
Weighted average number of ordinary shares in issue at 31 March ('000)	121,143	121,143	121,143	121,143
Basic earnings per share (sen) for Profit for the period	2.91	18.65	2.91	18.65

(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 March	31 December
		2017	2016
		RM'000	RM'000
Net carrying amount:			
Balance at the beginning of year		262,067	291,793
Additions		5,262	19,849
Disposals		(114)	-
Less: Depreciation	8	(12,100)	(48,688)
Less: Written off	8	(51)	(887)
Balance at end of period/year		255,064	262,067

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12. Intangible assets

	Note	31 March 2017	31 December 2016
		RM'000	RM'000
Net carrying amount:			
Balance at the beginning of year		1,625	1,891
Additions		27	207
Less: Amortisation	8	(106)	(473)
Balance at end of period/year		<u>1,546</u>	<u>1,625</u>

13. Inventories

During the three months ended 31 March 2017, 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

	31 March 2017	31 December 2016
	RM'000	RM'000
Cash at banks and on hand	32,711	39,410
Short term deposits with licensed banks	174,120	183,140
Cash and cash equivalents	<u>206,831</u>	<u>222,550</u>
Less: Short-term deposits more than three months	(40,000)	(21,000)
	<u>166,831</u>	<u>201,550</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

	Note	Restoration cost	Voluntary separation scheme	31 March 2,017	31 December 2,016
		RM'000	RM'000	RM'000	RM'000
Balance at the beginning of year		1,883	665	2,548	1,821
Arose during the period and year		70	-	70	1,113
Unwinding of discount		13	-	13	62
Reversal of provision	8	-	(40)	(40)	-
Payments during the period/year		(109)	(625)	(734)	(448)
Balance at end of period/year		<u>1,857</u>	<u>-</u>	<u>1,857</u>	<u>2,548</u>

At 31 March 2017

Current	729	1,256
Non-current:		
Later than 1 year but not later than 5 years	<u>1,128</u>	<u>1,292</u>
	<u>1,857</u>	<u>2,548</u>

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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 March 2017	31 December 2016
	RM'000	RM'000
Bankers' Acceptances (unsecured)	13,023	13,818

18. Dividends

No dividend was paid during the current quarter (1st Quarter of 2016: Nil).

19. Commitments

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

	31 March 2017	31 March 2016
	RM'000	RM'000
<u>Property, plant & equipment</u>		
- Approved and contracted for	10,882	5,049
- Approved but not contracted for	3,039	7,287
	<u>13,921</u>	<u>12,336</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

Current Quarter vs. Corresponding Quarter of Previous Year

The Group registered total net revenue and profit after tax of RM132.3 million and RM3.6 million respectively for the current quarter compared to net revenue of RM171.0 million and profit after tax of RM22.7 million recorded in the corresponding quarter of previous year. The lower Group revenue was mainly due to lower demand for cement in the domestic market and lower average net pricing for both cement and ready-mixed concrete. The Group's lower profit after tax from lower net revenue, was further affected by higher costs of production and lower interest income. However, the associated company contributed a higher share of profit of RM621,000 compared to RM415,000 in the corresponding quarter of previous year.

The cement division recorded an operating profit of RM879,000 for the current quarter compared with the corresponding quarter of previous year of RM25.4 million mainly due to lower sales volume and lower average net pricing arising from the prolonged price competition in the domestic market. Higher production cost, increased costs of fuel and electricity also contributed to the lower profit for the current quarter.

The ready-mixed concrete division recorded a lower operating profit of RM1.0 million for the current quarter compared with the corresponding quarter of previous year of RM1.4 million despite increase in sales volume mainly due to lower margin of contribution during the current quarter. The prolonged price competition for cement and the general slowdown in the property sector contributed to lower pricing in the ready-mixed concrete division which affected the margin. Higher cost of cartage from rising diesel cost further affected the division's margin of contribution.

The Group's interest income of RM1.8 million for the current quarter was lower compared with RM2.4 million in the corresponding quarter of previous year due to lesser amount of funds placed on term deposits.

Share of profit from the Group's associated company of RM621,000 was higher for the current quarter compared to RM415,000 from the corresponding quarter of previous year was mainly due to higher profit margin arising from lower cost of production.

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

	Current quarter 31 March 2017 RM'000	Immediate preceding quarter 31 December 2016 RM'000
Revenue	132,327	160,936
Net profit before tax	4,157	9,568
Share of profit of associates	621	(4,913)
Consolidated profit before tax	4,778	4,655

The Group's net revenue of RM132.3 million for the current financial quarter was lower compared with RM160.9 million recorded in the immediate preceding quarter mainly due to lower cement sales in the domestic market. The lower cement sales during the current financial quarter was partly due to shorter business cycle following the road ban during the festive season. Average net pricing for both cement and ready-mixed concrete continue to be affected by the prolonged price competition in cement in the domestic market since the second half of 2016. The Group registered a lower net profit before tax, excluding share of profit of associated company of RM4.2 million for the current financial quarter compared with RM9.6 million of the immediate preceding quarter. Share of profit of associates in the immediate preceding quarter was impacted by the write off of development expenditure in one of the associated companies amounting to RM6.5 million. Excluding the write off, the share of results from associated companies of the immediate preceding quarter would have recorded a profit of RM1.6 million.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 - UNAUDITED

24. Commentary on prospects

The second quarter is expected to be challenging with the intensified price competition for cement and softening of the domestic property market. However, pickup in demand for cement and ready-mixed concrete would depend on the timely roll-out of the remaining packages of existing public sector infrastructure and several catalytic developments in Greater Kuala Lumpur.

25. Profit forecast or profit guarantee

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

26. Corporate proposals

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

27. Material litigation

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

28. Dividends

No interim dividend has been declared for the current quarter ended 31 March 2017 (1st Quarter of 2016 : Nil).

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 (1st Quarter of 2016 : 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.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 - UNAUDITED

33. Realised and Unrealised Profit or (Losses) Disclosure

The breakdown of the retained profits of the Group as at 31 March 2017 and 31 December 2016 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 March 2017 RM'000	As at 31 December 2016 RM'000
Total retained profits of the Group :		
- Realised	281,121	274,619
- Unrealised	<u>(21,796)</u>	<u>(22,504)</u>
	259,325	252,115
Total share of retained profits from associate and jointly controlled entity :		
- Realised	59,585	61,963
- Unrealised	<u>(3,175)</u>	<u>(3,175)</u>
	315,735	310,903
Add: consolidation adjustments	<u>(5,567)</u>	<u>(4,295)</u>
Retained profits as per consolidated accounts	<u><u>310,168</u></u>	<u><u>306,608</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 2016 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN
COMPANY SECRETARY

27 APRIL 2017
KUALA LUMPUR, MALAYSIA