

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue		134,991	135,258	554,777	549,112
Cost of sales		(115,869)	(112,936)	(459,971)	(429,584)
<b>Gross profit</b>		<u>19,122</u>	<u>22,322</u>	<u>94,806</u>	<u>119,528</u>
Other (expense)/income		892	1,583	4,344	2,717
Selling and Distribution Expenses		(27,357)	(26,439)	(109,388)	(103,171)
Administrative Expenses		(6,113)	(7,067)	(23,776)	(25,055)
<b>Operating (loss)/profit</b>		<u>(13,456)</u>	<u>(9,601)</u>	<u>(34,014)</u>	<u>(5,981)</u>
Finance income	8	549	1,058	3,109	5,512
Finance cost	8	(89)	(134)	(411)	(558)
<b>Net finance income</b>		<u>460</u>	<u>924</u>	<u>2,698</u>	<u>4,954</u>
		<u>(12,996)</u>	<u>(8,677)</u>	<u>(31,316)</u>	<u>(1,027)</u>
Share of results of associates, net of tax		(1,098)	859	3,012	2,668
<b>(Loss)/Profit before tax</b>	8	<u>(14,094)</u>	<u>(7,818)</u>	<u>(28,304)</u>	<u>1,641</u>
Income tax benefit/(expense)	9	7,360	1,894	6,502	(630)
<b>(Loss)/Profit net of tax for the quarter/year ended</b>		<u>(6,734)</u>	<u>(5,924)</u>	<u>(21,802)</u>	<u>1,011</u>
<b>Other comprehensive income:</b>					
<u>Items that will not be reclassified subsequently to profit and loss:</u>					
Net fair value changes in quoted investments at fair value through Other Comprehensive Income	32	(2,140)	(868)	(8,838)	99
<b>Total comprehensive income for the quarter/year ended</b>		<u>(8,874)</u>	<u>(6,792)</u>	<u>(30,640)</u>	<u>1,110</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  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>(Loss)/Profit attributable to :</b>					
Equity holders of the Company		<u>(6,734)</u>	<u>(5,924)</u>	<u>(21,802)</u>	<u>1,011</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<u>(8,874)</u>	<u>(6,792)</u>	<u>(30,640)</u>	<u>1,110</u>
<b>(Loss)/Earnings per share attributable to equity holders of the Company (sen per share):</b>					
- Basic and diluted	10	<u>(5.56)</u>	<u>(4.89)</u>	<u>(18.01)</u>	<u>0.82</u>

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

**TASEK CORPORATION BERHAD**  
**(Company No: 4698-W)**  
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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2018 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		31 December 2018 RM'000	31 December 2017 RM'000 (Audited)
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	11	243,536	242,578
Intangible assets	12	1,114	1,285
Investment in associates		75,561	80,048
Investment in equity investment		4,165	9,617
Other receivables		329	242
<b>Total non - current assets</b>		<u>324,705</u>	<u>333,770</u>
<b>Current assets</b>			
Inventories	13	130,335	130,072
Trade and other receivables		108,541	99,645
Tax recoverable		12,110	11,339
Cash and bank balances	14	60,534	132,832
<b>Total current assets</b>		<u>311,520</u>	<u>373,888</u>
<b>Total assets</b>		<u><u>636,225</u></u>	<u><u>707,658</u></u>
<b>Equity attributable to equity holders of the Company</b>			
Share Capital		258,300	258,300
Reserves		274,569	329,525
<b>Total equity</b>		<u>532,869</u>	<u>587,825</u>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Provisions	16	1,763	1,572
Deferred tax liabilities		10,036	17,601
<b>Total non - current liabilities</b>		<u>11,799</u>	<u>19,173</u>
<b>Current liabilities</b>			
Provisions	16	575	745
Income tax payable		-	658
Loans and borrowings	17	11,366	9,061
Trade and other payables		79,616	90,196
<b>Total current liabilities</b>		<u>91,557</u>	<u>100,660</u>
<b>Total liabilities</b>		<u>103,356</u>	<u>119,833</u>
<b>Total equity and liabilities</b>		<u><u>636,225</u></u>	<u><u>707,658</u></u>
Net Assets per Share (RM)		<u>4.40</u>	<u>4.85</u>
Net Tangible Assets per Share (RM)		<u>4.39</u>	<u>4.84</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 FOURTH QUARTER ENDED 31 DECEMBER 2018 - 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	Fair Value Adjustment Reserve RM'000	Treasury Shares RM'000	General Reserve RM'000	Retained Profits RM'000	
At 1 January 2018	258,300	-	-	99	(20,633)	115,347	234,712	587,825
Total comprehensive income	-	-	-	(8,838)	-	-	(21,802)	(30,640)
Final dividend totalling 20 sen per share in respect of the financial year ended 31 December 2017	-	-	-	-	-	-	(24,316)	(24,316)
At 31 December 2018	258,300	-	-	(8,739)	(20,633)	115,347	188,594	532,869
At 1 January 2017	123,956	133,946	398	-	(20,633)	115,347	306,608	659,622
Effect of implementation of Companies Act 2016	134,344	(133,946)	(398)	-	-	-	-	-
Total comprehensive income	-	-	-	99	-	-	1,011	1,110
Final dividend totalling 40 sen per share in respect of the financial year ended 31 December 2016	-	-	-	-	-	-	(48,611)	(48,611)
First interim dividend totalling 20 sen per share in respect of the financial year ended 31 December 2017	-	-	-	-	-	-	(24,296)	(24,296)
At 31 December 2017	258,300	-	-	99	(20,633)	115,347	234,712	587,825

**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**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	12 Months ended	
	31 December 2018	31 December 2017
	RM'000	RM'000
<b><u>Operating activities</u></b>		
(Loss)/Profit before taxation	(28,304)	1,641
<b><u>Adjustments for:</u></b>		
Amortisation of intangible assets	364	396
Amortisation of prepaid lease payments	-	3
Depreciation of property, plant and equipment	35,184	48,575
Finance cost	411	558
Finance income	(3,109)	(5,512)
Inventories written off	414	364
Intangible assets written off	1	5
Net gain on disposal of property, plant and equipment	(181)	(196)
Property, plant and equipment written off	247	142
Reversal of provision for voluntary separation scheme	-	(40)
Reversal of provision for restoration costs	(14)	(128)
Share of results of associates	(3,012)	(2,668)
	<u>30,305</u>	<u>41,499</u>
<b>Operating cash flows before changes in working capital</b>	<b>2,001</b>	<b>43,140</b>
<b><u>Changes in working capital:</u></b>		
Change in inventories	(677)	(29,815)
Change in trade and other receivables	(8,983)	14,608
Change in trade and other payables	(10,597)	1,893
Total changes in working capital	<u>(20,257)</u>	<u>(13,314)</u>
Interest received	3,109	5,512
Interest paid	(359)	(479)
Income taxes paid	(2,493)	(11,302)
	<u>257</u>	<u>(6,269)</u>
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(17,999)</b>	<b>23,557</b>
<b><u>Investing activities</u></b>		
Investment in equity investment	(3,386)	(9,518)
Purchase of property, plant and equipment	(37,049)	(29,464)
Purchase of intangible assets	(194)	(61)
Net proceeds from disposal of property, plant and equipment	841	432
Withdrawal/(Placement) of short term deposits more than three months	40,000	(19,000)
Dividend income received	7,500	3,000
<b>Net cash flows generated from/(used in) investing activities</b>	<b>7,712</b>	<b>(54,611)</b>
<b><u>Financing activities</u></b>		
Dividends paid	(24,316)	(72,907)
Net proceeds from/(repayment to) loans & borrowings	2,305	(4,757)
<b>Net cash flows used in financing activities</b>	<b>(22,011)</b>	<b>(77,664)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(32,298)</b>	<b>(108,718)</b>
<b>Cash &amp; cash equivalents at 1 January</b>	<b>92,832</b>	<b>201,550</b>
<b>Cash &amp; cash equivalents at 31 December (Note 14)</b>	<b>60,534</b>	<b>92,832</b>

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 - 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 26 February 2019.

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

These condensed consolidated interim financial statements, for the year ended 31 December 2018, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market 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 2017, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The audited consolidated financial statements of the Group for the year ended 31 December 2017 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 audited consolidated financial statements as at and for the year ended 31 December 2017.

**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 2018 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 2018, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after the dates stated below:

<b>Description</b>	<b>Effective for annual financial periods beginning on or after</b>
MFRS 2: Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 140: Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018

The Group applies, for the first time, MFRS 9 Financial Instruments and MFRS 15 Revenue on Contracts with Customers that require restatement of previous financial statements. As required by MFRS 134, the nature and effect of these changes are disclosed below:

The Group has applied MFRS 9 retrospectively with the exception of hedge accounting, the classification and measurement requirements of MFRS 9 did not have a significant impact on the Group and the Group continued measuring at fair value all financial assets previously held at fair value under MFRS 9. The Group has not designated any financial liabilities at fair value through profit or loss and there are no changes in classification and measurement of the Group's financial liabilities. On MFRS 9's requirement for the Group to recognise an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss and contract assets, does not have any impact to the Group.

The Group adopted MFRS 15 using the full retrospective method of adoption. The adoption of MFRS 15 does not have any impact to the Group.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 - UNAUDITED**

**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.

	<b>Effective for annual financial periods beginning on or after</b>
MFRS 9: Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16: Leases	1 January 2019
MFRS 119: Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
MFRS 128: Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycle	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 - Definition of a Business	1 January 2020
Definition of Material (Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2020
MFRS 17: Insurance Contracts	1 January 2021
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 do not have any material effect on the financial performance or position 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 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 December 2018.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 - UNAUDITED**

**6. Segmental information**

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

	Cement	Ready-mixed Concrete	All other segments	Adjustment and Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31.12.2018</b>					
Segment revenue	413,541	219,935	1,342	-	634,818
Inter-segment revenue	(78,699)	-	(1,342)	-	(80,041)
Revenue from external customers	<u>334,842</u>	<u>219,935</u>	<u>-</u>	<u>-</u>	<u>554,777</u>
Segment profit/(loss)	(39,008)	3,563	(792)	2,223	(34,014)
Inter-segment elimination	(1,603)	1,424	179	-	-
	<u>(40,611)</u>	<u>4,987</u>	<u>(613)</u>	<u>2,223</u>	<u>(34,014)</u>
Segment profit/(loss)	(39,008)	3,563	(792)	2,223	(34,014)
Finance income	3,311	255	2	(459)	3,109
Finance cost	(29)	(382)	(459)	459	(411)
Share of profit from associates	-	-	-	3,012	3,012
Profit/(loss) before tax	<u>(35,726)</u>	<u>3,436</u>	<u>(1,249)</u>	<u>5,235</u>	<u>(28,304)</u>
	Cement	Ready-mixed Concrete	All other segments	Adjustment and Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31.12.2017</b>					
Segment revenue	398,977	239,071	4,776	-	642,824
Inter-segment revenue	(88,936)	-	(4,776)	-	(93,712)
Revenue from external customers	<u>310,041</u>	<u>239,071</u>	<u>-</u>	<u>-</u>	<u>549,112</u>
Segment profit/(loss)	(9,878)	7,408	(346)	(3,165)	(5,981)
Inter-segment elimination	(1,739)	1,523	216	-	-
	<u>(11,617)</u>	<u>8,931</u>	<u>(130)</u>	<u>(3,165)</u>	<u>(5,981)</u>
Segment profit/(loss)	(9,878)	7,408	(346)	(3,165)	(5,981)
Finance income	5,252	323	6	(69)	5,512
Finance cost	(28)	(570)	(29)	69	(558)
Share of profit of associates	-	-	-	2,668	2,668
Profit/(loss) before tax	<u>(4,654)</u>	<u>7,161</u>	<u>(369)</u>	<u>(497)</u>	<u>1,641</u>

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	31.12.2018	31.12.2017
	RM'000	RM'000
Malaysia	538,554	545,573
Outside Malaysia	16,223	3,539
	<u>554,777</u>	<u>549,112</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.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 - UNAUDITED**

**7. Seasonal or cyclical factors**

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

**8. (Loss)/Profit before tax**

Included in the (loss)/profit before tax are the following items:

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before tax is arrived at after charging/(crediting):					
Amortisation of prepaid lease payments		-	-	-	3
Amortisation of intangible assets	12	92	92	364	396
Depreciation of property, plant and equipment	11	8,354	12,252	35,184	48,575
Finance income		(549)	(1,058)	(3,109)	(5,512)
Finance cost		89	134	411	558
Net gain/(loss) on disposal of property, plant and equipment		(170)	21	(181)	(196)
Inventories written off		414	364	414	364
Intangibles written off		1	5	1	5
Property, plant and equipment written off	11	210	45	247	142
Net loss/(gain) on foreign exchange - realised		(109)	114	(326)	115
Reversal of provision for restoration costs	16	(14)	(128)	(14)	(128)
Reversal of provision for voluntary separation scheme		-	-	-	(40)
Rental income		(205)	(256)	(1,044)	(994)

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.

**9. Income tax expense**

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>				
Malaysia - Current year	794	201	(1,115)	(5,359)
- Prior year	91	68	52	(174)
	885	269	(1,063)	(5,533)
<u>Deferred tax</u>				
Reversal of temporary differences	6,553	1,706	7,618	4,707
(Under)/Over provision in respect of prior years	(78)	(81)	(53)	196
	7,360	1,894	6,502	(630)

Despite the Group's loss in the current quarter and year to date, the tax incurred is mainly for other incomes which are subjected to tax and income tax from a subsidiary.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 - UNAUDITED

10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000
<u>(I) Basic earnings per share</u>				
(Loss)/Profit net of tax attributable to equity holders of the Company	(6,734)	(5,924)	(21,802)	1,011
Less : 6% Preference Dividend	-	-	(20)	(20)
Less : Proportion of profit attributable to preference shareholders	-	-	-	(3)
(Loss)/Profit net of tax attributable to equity holders of the Company used in the computation of basic earnings per share	<u>(6,734)</u>	<u>(5,924)</u>	<u>(21,822)</u>	<u>988</u>
Weighted average number of ordinary shares in issue at 31 December ('000)	<u>121,143</u>	<u>121,143</u>	<u>121,143</u>	<u>121,143</u>
Basic (loss)/earnings per share (sen)	<u>(5.56)</u>	<u>(4.89)</u>	<u>(18.01)</u>	<u>0.82</u>

(II) Diluted earnings per share

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

11. Property, plant and equipment

	Note	31 December 2018	31 December 2017
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year		242,578	262,067
Additions		37,049	29,464
Disposals		(660)	(236)
Less: Depreciation	8	(35,184)	(48,575)
Less: Written off	8	(247)	(142)
Balance at end of year		<u>243,536</u>	<u>242,578</u>

12. Intangible assets

	Note	31 December 2018	31 December 2017
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year		1,285	1,625
Additions		194	61
Less: Amortisation	8	(364)	(396)
Less: Written off		(1)	(5)
Balance at end of year		<u>1,114</u>	<u>1,285</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**13. Inventories**

During the 12 months ended 31 December 2018, the Group recognised a write-down of inventory spares of RM414,000 (2017: RM364,000) mainly spares for machineries which had been decommissioned from use. The write-down was included in the cost of sales.

**14. Cash and bank balances**

	31 December 2018	31 December 2017
	RM'000	RM'000
Cash at banks and on hand	16,004	40,432
Short term deposits with licensed banks	44,530	92,400
Cash and cash equivalents	60,534	132,832
Less: Short-term deposits more than three months	-	(40,000)
	<u>60,534</u>	<u>92,832</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.

**16. Provision**

	Restoration cost	Voluntary separation scheme	Total
	RM'000	RM'000	RM'000
At 1 January 2017	1,883	665	2,548
Arose during the year	850	-	850
Unwinding of discount	79	-	79
Reversal during the year	(128)	(40)	(168)
Payments during the year	(367)	(625)	(992)
At 31 December 2017 and 1 January 2018	<u>2,317</u>	<u>-</u>	<u>2,317</u>
Arose during the year	559	-	559
Unwinding of discount	52	-	52
Reversal during the year	(14)	-	(14)
Payments during the year	(576)	-	(576)
At 31 December 2018	<u>2,338</u>	<u>-</u>	<u>2,338</u>
<b>At 31 December 2017</b>			
Current	<u>745</u>	<u>-</u>	<u>745</u>
Non-current:			
- Later than 1 year but not later than 5 years	764	-	764
- Later than 2 year but not later than 5 years	75	-	75
- More than 10 years	733	-	733
	<u>1,572</u>	<u>-</u>	<u>1,572</u>
	<u>2,317</u>	<u>-</u>	<u>2,317</u>
<b>At 31 December 2018</b>			
Current	<u>575</u>	<u>-</u>	<u>575</u>
Non-current:			
- Later than 1 year but not later than 5 years	135	-	135
- Later than 2 year but not later than 5 years	866	-	866
- More than 10 years	762	-	762
	<u>1,763</u>	<u>-</u>	<u>1,763</u>
	<u>2,338</u>	<u>-</u>	<u>2,338</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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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.

Other environmental cost is recognised on the basis of legal or constructive obligation and the expected cost is 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 2018	31 December 2017
	RM'000	RM'000
Bankers' Acceptances (unsecured)	11,366	9,061

**18. Dividends**

Since the end of the previous financial year, the Company paid a final dividend totalling RM24.229 million on 25 May 2018, comprising single-tier final dividend of 20 sen per share on the ordinary shares and single-tier dividends totalling RM87,100 comprising preference dividend of 6 sen per share and single-tier final dividend of 20 sen per share on the 6% Cumulative Participating Preference Shares in respect of the financial year ended 31 December 2017.

**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 2018	31 December 2017
	RM'000	RM'000
<u>Property, plant &amp; equipment</u>		
- Approved and contracted for	6,595	13,936
- Approved but not contracted for	9,775	4,661
	<u>16,370</u>	<u>18,597</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.

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**22. Review of performance**

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

For the current quarter, the Group registered net revenue of RM135.0 million and loss after tax of RM6.73 million compared with net revenue of RM135.3 million and loss after tax of RM5.9 million of the corresponding quarter of previous year. The lower loss after tax was mainly from recognition of unutilised capital allowances of RM5.7 million, if excluded, the Group would have registered a loss of RM12.4 million in the current quarter. The current quarter loss was mainly due to lower domestic demand and lower average selling price for both cement and ready-mixed concrete segments arising partly from the continuous intense pricing competition. In addition, rising costs of production for both cement and ready-mixed concrete segments, lower interest income and share of loss from associate company further affected the performance of the Group for the current quarter.

The cement segment recorded a net revenue of RM99.6 million and a loss of RM14.1 million for the current quarter compared with net revenue of RM99.6 million and loss of RM12.1 million of the corresponding quarter of previous year. Domestic demand for cement during the current quarter remained low compared with the corresponding quarter of previous year while the intense pricing competition continue to further reduce contribution margins. Apart from lower net pricing, the segment's performance was also affected by the rising electricity, fuel and repair costs.

The ready-mixed concrete segment recorded lower net revenue of RM53.8 million and profit of RM637,000 for the current quarter compared with net revenue of RM60.4 million and profit of RM1.9 million of the corresponding quarter of previous year mainly due to lower sales volume and lower contribution margin. Sales volume was affected by closure of a few site plants in the Klang Valley while lower average net selling price and higher plant operating and distribution costs affected the segment's performance.

The Group's interest income of RM549,000 for the current quarter was lower than the RM1.06 million of the corresponding quarter of previous year due to lesser amount of funds placed on term deposits.

The share of loss from the associate company in the current quarter compared with profit from the corresponding quarter of previous year was mainly due to adjustment for consumption of raw materials and provision for doubtful debts in the current quarter.

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

The Group recorded net revenue of RM554.8 million and loss after tax of RM21.8 million for the current year to date compared with net revenue of RM549.1 million and profit after tax of RM1.01 million of the corresponding year to date of previous year. Included in current year to date loss after tax was recognition of unutilised capital allowances of RM5.7 million, if excluded, the Group would have registered a loss of RM27.5 million for the current year to date. The current year to date loss was due mainly to lower average net selling price for both cement and ready-mixed concrete following the continuous intense pricing competition in the domestic market and compounded by lower ready-mixed concrete sales volume. Higher costs of production for the cement segment and lower interest income further affected the performance of the Group for the current year to date. However higher share of profit from the associate company in the current year to date partly mitigated the Group's loss.

The cement segment recorded net revenue of RM413.5 million and loss of RM38.1 million for the current year to date compared to net revenue of RM399.0 million and loss of RM14.4 million for the corresponding year to date of previous year. Despite the lower average net selling price caused by the prolonged price competition, the higher revenue was due to contribution from some clinker exports. Apart from the lower average net selling price, the segment's contribution margin for the current year to date was also affected by higher production costs arising from higher electricity, fuel and repair costs.

Ready-mixed concrete segment registered a lower profit of RM3.6 million for the current year to date compared with RM7.4 million in the corresponding year to date of previous year. The lower profit was mainly due to lower sales volume and lower average net selling price arising from the prolonged pricing competition in the cement industry that led to price instability in the ready-mixed concrete industry.

The Group's interest income of RM3.1 million for the current year to date was RM2.4 million lower compared to the corresponding year to date of previous year due to lesser amount of funds placed on term deposits.

Share of profit of associate company for the current year to date improved to RM3.0 million from RM2.7 million from the corresponding year to date of previous year mainly due to improvement in cement demand in Sabah and lower cost of sales.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**23. Material change in the loss before tax for the current financial quarter compared with the immediate preceding quarter**

	Current quarter 31 December 2018 RM'000	Immediate preceding quarter 30 September 2018 RM'000
Revenue	134,991	149,883
Net loss before tax	(12,996)	(6,832)
Share of results of associates	(1,098)	1,203
Consolidated loss before tax	(14,094)	(5,629)

The Group recorded lower revenue of RM135.0 million for the current financial quarter compared with RM149.9 million in the immediate preceding quarter mainly due to lower sales volume and lower contribution margin from cement segment. Sales for both segments during the current financial quarter was affected by poor weather condition as well as slow down in the progress of some private and public sector projects. Apart from the lower sales volume, contribution margin for cement segment was also affected by the continuous decreasing average net pricing from the prolonged intense pricing competition in the domestic market. Lower interest income resulting from lower fund placements in term deposits also affected the Group's performance for the current financial quarter. Hence, the Group incurred loss before tax of RM12.9 million compared to RM6.8 million in the immediate preceding quarter. The Group's share of loss of associate company of RM1.1 million for the current financial quarter was due to adjustment for consumption of raw materials and provision for doubtful debts further affected the Group's loss for the current financial quarter.

**24. Commentary on prospects**

The Board is of the view that prospects for the first quarter of the next financial year to remain challenging given the subdued construction sector amidst the slow down in infrastructure activities and prolonged ongoing price war.

**25. Profit forecast or profit guarantee**

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

**26. Corporate proposals**

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

**27. Material litigation**

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

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**28. Dividends**

No dividend has been declared for the current quarter ended 31 December 2018 (4th Quarter of 2017 : single-tier 20 sen per share).

**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 2017 : 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**

Investment in quoted securities held by the Group as at 31 December 2018 was as follows:

	Current quarter 3 months ended 31 December 2018 RM'000	Cumulative quarter 12 months ended 31 December 2018 RM'000
Quoted investment in Malaysia, at fair value	6,305	9,617
Addition	-	3,386
Fair value loss recognised in other comprehensive income	(2,140)	(8,838)
At market value/carrying value	<u>4,165</u>	<u>4,165</u>

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**33. 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 except as disclosed in Note 32.

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

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN  
COMPANY SECRETARY

26 FEBRUARY 2019  
KUALA LUMPUR, MALAYSIA