

**TASEK CORPORATION BERHAD**  
**Company No: 196201000192 (4698-W)**  
**(Incorporated in Malaysia)**  
**and its subsidiaries**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue		131,492	137,264	131,492	137,264
Cost of sales		(99,395)	(115,113)	(99,395)	(115,113)
<b>Gross profit</b>		<b>32,097</b>	<b>22,151</b>	<b>32,097</b>	<b>22,151</b>
Other (expense)/income		413	784	413	784
Selling and Distribution Expenses		(22,735)	(27,904)	(22,735)	(27,904)
Administrative Expenses		(5,476)	(5,509)	(5,476)	(5,509)
<b>Operating profit/(loss)</b>		<b>4,299</b>	<b>(10,478)</b>	<b>4,299</b>	<b>(10,478)</b>
Finance income	8	529	496	529	496
Finance cost	8	(304)	(278)	(304)	(278)
<b>Net finance income</b>		<b>225</b>	<b>218</b>	<b>225</b>	<b>218</b>
		4,524	(10,260)	4,524	(10,260)
Share of results of associates, net of tax		214	318	214	318
<b>Profit/(Loss) before tax</b>	8	<b>4,738</b>	<b>(9,942)</b>	<b>4,738</b>	<b>(9,942)</b>
Income tax expense	9	(550)	(478)	(550)	(478)
<b>Profit/(Loss) net of tax, for the quarter/period ended</b>		<b>4,188</b>	<b>(10,420)</b>	<b>4,188</b>	<b>(10,420)</b>
<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	(5,617)	3,172	(5,617)	3,172
<b>Total comprehensive loss for the quarter/period ended</b>		<b>(1,429)</b>	<b>(7,248)</b>	<b>(1,429)</b>	<b>(7,248)</b>

**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 FIRST QUARTER ENDED 31 MARCH 2020 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Profit/(Loss) attributable to :</b>					
Equity holders of the Company		4,188	(10,420)	4,188	(10,420)
<b>Total comprehensive loss attributable to:</b>					
Equity holders of the Company		(1,429)	(7,248)	(1,429)	(7,248)
<b>Earnings/(Loss) per share attributable to equity holders of the Company (sen per share):</b>					
- Basic and diluted	10	3.44	(8.62)	3.44	(8.62)

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS AT 31 MARCH 2020 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		31 March 2020 RM'000	31 December 2019 RM'000 (Audited)
	Note		
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	11 (a)	214,202	219,504
Intangible assets	12	1,512	1,635
Investment in associates		67,708	67,494
Investment in equity investment		8,546	14,163
Right-of-use assets	11 (b)	19,817	20,976
Other receivables		100	247
<b>Total non - current assets</b>		<u>311,885</u>	<u>324,019</u>
<b>Current assets</b>			
Inventories	13	121,129	101,322
Trade and other receivables		125,326	123,188
Tax recoverable		10,110	9,960
Cash and bank balances	14	79,852	86,760
Derivative assets		60	-
<b>Total current assets</b>		<u>336,477</u>	<u>321,230</u>
<b>Total assets</b>		<u>648,362</u>	<u>645,249</u>
<b>Equity attributable to equity holders of the Company</b>			
Share Capital		258,300	258,300
Reserves		253,130	254,559
<b>Total equity</b>		<u>511,430</u>	<u>512,859</u>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Provisions	16	1,912	2,173
Deferred tax liabilities		476	474
Lease liabilities		1,944	1,989
<b>Total non - current liabilities</b>		<u>4,332</u>	<u>4,636</u>
<b>Current liabilities</b>			
Provisions	16	737	525
Income tax payable		-	693
Loans and borrowings	17	22,412	21,820
Trade and other payables		106,504	100,673
Lease liabilities		2,947	3,899
Derivative liabilities		-	144
<b>Total current liabilities</b>		<u>132,600</u>	<u>127,754</u>
<b>Total liabilities</b>		<u>136,932</u>	<u>132,390</u>
<b>Total equity and liabilities</b>		<u>648,362</u>	<u>645,249</u>
Net Assets per Share (RM)		<u>4.22</u>	<u>4.23</u>
Net Tangible Assets per Share (RM)		<u>4.21</u>	<u>4.22</u>

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

**TASEK CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020 - 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	Fair Value Adjustment Reserve RM'000	Treasury Shares RM'000	General Reserve RM'000	Retained Profits RM'000	
At 1 January 2020	258,300	(3,406)	(20,633)	115,347	163,251	512,859
Total comprehensive income	-	(5,617)	-	-	4,188	(1,429)
At 31 March 2020	258,300	(9,023)	(20,633)	115,347	167,439	511,430
At 1 January 2019	258,300	(8,739)	(20,633)	115,347	188,594	532,869
Total comprehensive income	-	3,172	-	-	(10,420)	(7,248)
At 31 March 2019	258,300	(5,567)	(20,633)	115,347	178,174	525,621

**The Condensed Consolidated Statement of Changes in Equity 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 2020 - UNAUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 Months ended</b>	
	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Operating activities</u></b>		
Profit/(Loss) before taxation	4,738	(9,942)
<b><u>Adjustments for:</u></b>		
Amortisation of intangible assets	129	123
Amortisation of right-of-use assets	1,207	857
Depreciation of property, plant and equipment	8,531	8,401
Finance cost	304	278
Finance income	(529)	(496)
Net fair value gain on derivatives	(204)	-
Net gain on disposal of property, plant and equipment	(1)	-
Property, plant and equipment written off	17	8
Share of results of associates	(214)	(318)
	<u>9,240</u>	<u>8,853</u>
<b>Operating cash flows before changes in working capital</b>	<b>13,978</b>	<b>(1,089)</b>
<b><u>Changes in working capital:</u></b>		
Change in inventories	(19,807)	23,510
Change in trade and other receivables	(1,991)	(21,743)
Change in trade and other payables	5,784	11,319
Total changes in working capital	<u>(16,014)</u>	<u>13,086</u>
Interest received	529	496
Interest paid	(265)	(128)
Income taxes paid	(1,391)	2,678
	<u>(1,127)</u>	<u>3,046</u>
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(3,163)</b>	<b>15,043</b>
<b><u>Investing activities</u></b>		
Investment in equity investment	-	(4,666)
Purchase of property, plant and equipment	(3,246)	(7,272)
Purchase of intangible assets	(6)	(993)
Purchase of right-of-use assets	(48)	-
Net proceeds from disposal of property, plant and equipment	1	-
<b>Net cash flows used in investing activities</b>	<b>(3,299)</b>	<b>(12,931)</b>
<b><u>Financing activities</u></b>		
Repayment on lease liabilities	(38)	(930)
Net proceeds from loans & borrowings	592	7,028
<b>Net cash flows generated from financing activities</b>	<b>554</b>	<b>6,098</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,908)</b>	<b>8,210</b>
<b>Cash &amp; cash equivalents at 1 January</b>	<b>85,760</b>	<b>60,534</b>
<b>Cash &amp; cash equivalents at 31 March</b> (Note 14)	<b><u>79,852</u></b>	<b><u>68,744</u></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 FIRST QUARTER ENDED 31 MARCH 2020 - 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 5 May 2020.

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

These condensed consolidated interim financial statements, for the quarter ended 31 March 2020, 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 2019, 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 2019 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 2019.

**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 2020 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 2020, 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>
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
Interest Rate Benchmark Reform (Amendments to MFRS 9: Financial Instruments, MFRS 139: Financial Instruments: Recognition and Measurement and MFRS 7: Financial Instruments: Disclosures)	1 January 2020

**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>Description</b>	<b>Effective for annual financial periods beginning on or after</b>
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	16 March 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 will not have any material effect on the financial performance or position of the Group .

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**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 2020.

**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
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31.3.2020</b>					
Segment revenue	101,259	45,891	112	-	147,262
Inter-segment revenue	(15,658)	-	(112)	-	(15,770)
Revenue from external customers	85,601	45,891	-	-	131,492
Segment profit/(loss)	3,738	783	(207)	(15)	4,299
Inter-segment elimination	(282)	252	30	-	-
	3,456	1,035	(177)	(15)	4,299
Segment profit/(loss)	3,738	783	(207)	(15)	4,299
Finance income	658	79	-	(208)	529
Finance cost	(73)	(231)	(208)	208	(304)
Share of profit of associates	-	-	-	214	214
Profit/(loss) before tax	4,323	631	(415)	199	4,738
	Cement	Ready-mixed Concrete	All other segments	Adjustment and Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31.3.2019</b>					
Segment revenue	100,388	55,679	-	-	156,067
Inter-segment revenue	(18,803)	-	-	-	(18,803)
Revenue from external customers	81,585	55,679	-	-	137,264
Segment profit/(loss)	(11,810)	1,547	(215)	-	(10,478)
Inter-segment elimination	(399)	354	45	-	-
	(12,209)	1,901	(170)	-	(10,478)
Segment profit/(loss)	(11,810)	1,547	(215)	-	(10,478)
Finance income	595	59	-	(158)	496
Finance cost	(26)	(252)	(158)	158	(278)
Share of profit of associates	-	-	-	318	318
Profit/(loss) before tax	(11,241)	1,354	(373)	318	(9,942)

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	31.3.2020	31.3.2019
	RM'000	RM'000
Malaysia	130,705	137,213
Outside Malaysia	787	51
	131,492	137,264

The commentary on the performance of each of the business activities 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 FIRST QUARTER ENDED 31 MARCH 2020 - UNAUDITED

7. Seasonal or cyclical factors

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

8. Profit/(Loss) before tax

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

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):					
Amortisation of intangible assets	12	129	123	129	123
Depreciation of property, plant and equipment	11 (a)	8,531	8,401	8,531	8,401
Amortisation of right-of-use assets	11 (b)	1,207	857	1,207	857
Finance income		(529)	(496)	(529)	(496)
Finance cost		304	278	304	278
Net gain on disposal of property, plant and equipment		(1)	-	(1)	-
Property, plant and equipment written off	11 (a)	17	8	17	8
Net gain on foreign exchange - unrealised		(2)	(28)	(2)	(28)
Net fair value gain on derivatives		(204)	-	(204)	-
Rental income		(181)	(174)	(181)	(174)

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.

9. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<u>Current Income tax</u>				
Malaysia - Current year	(550)	(446)	(550)	(446)
- Prior year	-	(32)	-	(32)
	(550)	(478)	(550)	(478)

The Group's effective tax rate for the current quarter is below the statutory tax rate of 24% (2019: 24%) in Malaysia mainly due to accumulated tax loss brought forward available for set off.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 - UNAUDITED

10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
<u>(I) Basic earnings per share</u>				
Profit/(Loss) net of tax attributable to equity holders of the Company	4,188	(10,420)	4,188	(10,420)
Less : 6% Preference Dividend	(20)	(20)	(20)	(20)
Profit/(Loss) net of tax attributable to equity holders of the Company used in the computation of basic earnings per share	4,168	(10,440)	4,168	(10,440)
Weighted average number of ordinary shares in issue at 31 March ('000)	121,143	121,143	121,143	121,143
Basic earnings/(loss) per share (sen)	3.44	(8.62)	3.44	(8.62)

(II) Diluted earnings per share

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

11. (a) Property, plant and equipment

	Note	31 March 2020	31 December 2019
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year		219,504	243,536
Additions		3,246	26,800
Disposals		-	(471)
Less: Effects of adoption of MFRS 16 Leases		-	(15,665)
Less: Depreciation	8	(8,531)	(34,531)
Less: Written off	8	(17)	(165)
Balance at end of period/year		214,202	219,504

(b) Right-of-use assets

	Note	31 March 2020	31 December 2019
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year (as previously stated)		20,976	-
Effects of adoption of MFRS 16		-	24,168
Additions		48	1,102
Less: Amortisation	8	(1,207)	(4,294)
Balance at end of period/year		19,817	20,976

12. Intangible assets

	Note	31 March 2020	31 December 2019
		RM'000	RM'000
<b>Net carrying amount:</b>			
Balance at the beginning of year		1,635	1,114
Additions		6	1,051
Less: Amortisation	8	(129)	(530)
Balance at end of period/year		1,512	1,635

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020 - UNAUDITED**

**13. Inventories**

During the period ended 31 March 2020, 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 (1st Quarter of 2019: Nil).

**14. Cash and bank balances**

	31 March 2020	31 December 2019
	RM'000	RM'000
Cash at banks and on hand	24,753	35,240
Short term deposits with licensed banks	55,099	51,520
Cash and cash equivalents	79,852	86,760
Less: Short-term deposits more than three months	-	(1,000)
	<u>79,852</u>	<u>85,760</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. Provisions**

	Restoration and other environmental cost	
	31 March 2020	31 December 2019
	RM'000	RM'000
Balance at the beginning of year	2,698	2,338
Arose during the period/year	48	330
Unwinding of discount	23	80
Payments during the period/year	(120)	(50)
Balance at end of period/year	<u>2,649</u>	<u>2,698</u>
Current	<u>737</u>	<u>525</u>
Non-current:		
- Later than 1 year but not later than 2 years	811	1,085
- Later than 2 years but not later than 5 years	300	295
- More than 10 years	801	793
	<u>1,912</u>	<u>2,173</u>
	<u>2,649</u>	<u>2,698</u>

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 periods. 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 costs to dismantle and remove the batching plants from the sites and the costs of restoring the lands to their 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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**17. Group borrowings and debts securities**

Total Group's short term borrowings (denominated in local currency) are as follows:

	31 March 2020	31 December 2019
	RM'000	RM'000
<u>Unsecured:</u>		
Bankers' Acceptances	20,510	15,372
Onshore Foreign Currency Loan	1,902	6,448
	<u>22,412</u>	<u>21,820</u>

**18. Dividends**

No dividend was paid during the current quarter (1st Quarter of 2019: 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 2020	31 March 2019
	RM'000	RM'000
<u>Property, plant &amp; equipment</u>		
- Approved and contracted for	9,309	6,831
- Approved but not contracted for	4,228	8,364
	<u>13,537</u>	<u>15,195</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**

On 16 March 2020, the Prime Minister of Malaysia announced the Movement Control Order ("MCO") to curb the spread of COVID-19. Businesses in the country, except for the essential industries, were ordered to be closed from 18 March 2020 until 31 March 2020. The MCO was subsequently extended to 14 April 2020. An announcement on 10 April 2020 further extended the MCO to 28 April 2020 albeit with the easing of restrictions on certain industries (including sub-industries and supporting businesses) to operate during the MCO period. The latest announcement extends the MCO to 12 May 2020.

On 1 May 2020, the Prime Minister announced the relaxation of the MCO to allow almost all economic sectors to open, albeit with conditions, with effect from 4 May 2020. While there were reports that some states are not ready for the relaxation of the MCO, Tasek Concrete Sdn Bhd has since begun preparations to resume its operations.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 - UNAUDITED**

**22. Review of performance**

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

For the current quarter, the Group registered a net revenue of RM131.5 million and profit after tax of RM4.2 million compared with the corresponding quarter of the previous year's net revenue of RM137.3 million and loss after tax of RM10.4 million. The profit for the current quarter was mainly contributed by the cement segment and arose from a reduction in sales rebates and lower production cost. However, sales volumes for both cement and ready-mixed concrete segments compared with the corresponding quarter of the previous year, were affected by the nationwide MCO imposed by the Malaysian Government which started on 18 March 2020. This was compounded by lower share of profit from the associate company.

The cement segment achieved an operating profit of RM3.1 million compared with an operating loss of RM13.0 million for the corresponding quarter of previous year mainly due to lower sales rebates in the domestic market and lower production costs. However, sales volume fell due to the cessation of business during the MCO period.

The ready-mixed concrete segment achieved lower net revenue of RM45.9 million and operating profit of RM752,000 for the current quarter compared with previous year's corresponding quarter of RM55.7 million and RM1.5 million respectively on account of lower sales volume arising from the MCO imposed by the Malaysian Government and higher raw material costs.

The Group's interest income of RM529,000 for the current quarter was higher compared with RM496,000 of the corresponding quarter of previous year mainly due to higher short term deposits.

The lower share of profit from the associated company of RM214,000 for the current quarter compared with RM316,000 of the corresponding quarter of previous year was mainly due to lower sales volume arising from the nationwide MCO imposed by the Malaysian Government and higher cost of sales.

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

	Current quarter 31 March 2020 RM'000	Immediate preceding quarter 31 December 2019 RM'000
Revenue	131,492	176,487
Net profit/(loss) before tax	4,524	(4,469)
Share of results of associates	214	(678)
Consolidated profit/(loss) before tax	4,738	(5,147)

The Group registered a net revenue of RM131.5 million and profit before tax of RM4.7 million compared with the immediate preceding quarter's net revenue of RM176.5 million and loss before tax of RM5.1 million. The current quarter profit was mainly contributed by the cement segment which experienced improvement in the local cement net pricing, a result of lower sales rebates, and lower production costs. However, sales volumes for both segments, when compared against the immediate preceding quarter, were adversely affected by the shorter business cycle due to Chinese New Year festive holidays and the nationwide MCO imposed by the Malaysian Government since 18 March 2020.

**24. Commentary on prospects**

The outlook for the second quarter is expected to be even more challenging. Like all businesses, the Group is also affected by the MCO which caused the cessation of the operations of the Group's cement plant and ready-mix concrete operations since 18 March 2020. Although approval has been granted by MITI for the cement plant to resume operations, the MCO will have an adverse impact on the financial performance of the Group.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 - UNAUDITED**

**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**

On 28 May 2019, the Board of Directors received a notice of unconditional voluntary take-over offer from CIMB Investment Bank Berhad on behalf of the Joint Offerors, HL Cement (Malaysia) Sdn Bhd and Ridge Star Limited, to acquire all the remaining ordinary shares (excluding treasury shares) in Tasek Corporation Berhad not already held by the Joint Offerors (Offer Preference Shares) for a cash consideration of RM5.50 per Offer Ordinary Share and RM5.50 per Offer Preference Share.

On 2 August 2019, the Company received notification from the Joint Offerors informing the shareholders of the Company that the Offer Price has been revised from RM5.50 to RM5.80 per Offer Ordinary Share and RM5.50 to RM5.80 per Offer Preference Share ("Revised Offer") and that Revised Offer will remain open for acceptances until 5.00 pm (Malaysian time) on Monday, 19 August 2019, which will be the final Closing Date. As at the close of the Revised Offer on 19 August 2019, the Company's public shareholding spread stood at 11.84%.

On 4 September 2019, the Company announced that Bursa Malaysia Securities Berhad (Bursa Securities) had vide its letter dated 3 September 2019 granted the Company an extension of time of six months until 19 February 2020 to comply with the public shareholding spread requirement pursuant to paragraph 8.02 (1) of the Main Market Listing Requirements of Bursa Securities. The Company had used the extension of time granted by Bursa Securities to allow the Joint Offerors sufficient time to formulate and to formally inform the Company of their plans with regard to the Joint Offerors' intention.

On 16 March 2020, the Company received the letter from Bursa Securities dated 13 March 2020, granting the Company a further extension of time of six months until 19 August 2020 to comply with the public shareholding spread requirement pursuant to paragraph 8.02(1) of the Main Market Listing Requirement of Bursa Securities. As at 31 March 2020, there had been no change in the Company's public shareholding spread, which remained at 11.84%. The Company will continue to use the extension of time to allow the Joint Offerors sufficient time to formulate and to formally inform the Company of their plans with regard to the Joint Offerors' intention.

**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 2020 (1st Quarter of 2019 : Nil).

**29. Derivative financial instruments**

The outstanding forward foreign currency exchange contracts as at 31 March 2020 are as follows:

<u>Type of Derivatives</u>	<b>Note</b>	Contract	Fair value	
		value	Assets	Liabilities
		RM'000	RM'000	RM'000
Foreign Exchange Contracts				
- Less than 1 year	<b>33</b>	3,520	108	-

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

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

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

There are no cash requirements for these derivatives.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020 - UNAUDITED**

**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 2019 : 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**

Investment in quoted securities held by the Group as at 31 March 2020 was as follows:

	Current quarter 3 months ended 31 March 2020
	<u>RM'000</u>
Quoted investment in Malaysia, at fair value	14,163
Fair value loss recognised in other comprehensive income	<u>(5,617)</u>
At market value/carrying value	<u><u>8,546</u></u>

**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 held the following financial assets and liabilities that are measured at fair value:

		Level 1 31 March 2020	Level 2 31 March 2020	Level 1 31 March 2019	Level 2 31 March 2019
	<b>Note</b>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Financial assets:					
Investment in equity investment	<b>32</b>	8,546	-	-	-
Derivative assets	<b>29</b>	-	108	-	-

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

The auditors' report on the financial statements for the year ended 31 December 2019 was not qualified.

BY ORDER OF THE BOARD

GO HOOI KOON  
 COMPANY SECRETARY

5 MAY 2020  
 KUALA LUMPUR, MALAYSIA