

Quarterly rpt on consolidated results for the financial period ended 31/12/2014

TASEK CORPORATION BERHAD

Financial Year End	31/12/2014
Quarter	4
Quarterly report for the financial period ended	31/12/2014
The figures	have not been audited

Attachments

[Q4 Bursa Dec'14.pdf](#)

77 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION

	31/12/2014		31/12/2014	
	INDIVIDUAL PERIOD CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CUMULATIVE PERIOD CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2014 \$\$'000	31/12/2013 \$\$'000	31/12/2014 \$\$'000	31/12/2013 \$\$'000
1Revenue	172,967	154,991	656,061	577,009
2Profit/(loss) before tax	36,125	35,544	136,322	121,044
3Profit/(loss) for the period	27,553	27,256	105,043	93,903
4Profit/(loss) attributable to ordinary equity holders of the parent	27,553	27,256	105,043	93,903
5Basic earnings/(loss) per share (Subunit)	22.68	22.44	86.46	77.29
6Proposed/Declared dividend per share (Subunit)	80.00	90.00	170.00	152.00
	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END		
7Net assets per share attributable to ordinary equity holders of the parent (\$\$)		6.3355		7.2523

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.

Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	TASEK CORPORATION BERHAD
Stock Name	TASEK
Date Announced	17 Feb 2015
Category	Financial Results
Reference No	TT-150212-37903

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

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

Summary of Key Financial Information for the financial fourth quarter ended 31.12.2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2013 RM'000	CURRENT YEAR TODATE 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2013 RM'000
1 Revenue	172,967	154,991	656,061	577,009
2 Profit/(Loss) before tax	36,125	35,544	136,322	121,044
3 Profit/(Loss) for the period	27,553	27,256	105,043	93,903
4 Profit/(Loss) attributable to ordinary equity holders of the parents	27,553	27,256	105,043	93,903
5 Basic earnings/(loss) per share (sen)	22.68	22.44	86.46	77.29
6 Proposed/Declared dividend per share (sen)	80 sen	90 sen	170 sen	152 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)		6.3355		7.2523

Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2013 RM'000	CURRENT YEAR TODATE 31/12/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2013 RM'000
1 Gross interest income	2,843	3,301	12,757	13,940
2 Gross interest expense	117	81	397	197

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 2014 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue		172,967	154,991	656,061	577,009
Cost of sales		(111,929)	(99,156)	(431,367)	(381,953)
Gross Profit		<u>61,038</u>	<u>55,835</u>	<u>224,694</u>	<u>195,056</u>
Other income		870	1,602	5,545	2,555
Selling and Distribution Expenses		(25,137)	(22,628)	(96,359)	(83,048)
Administrative Expenses		(6,440)	(6,404)	(23,852)	(22,510)
Operating profit		<u>30,331</u>	<u>28,405</u>	<u>110,028</u>	<u>92,053</u>
Finance income	8	2,843	3,301	12,757	13,940
Finance costs	8	(117)	(81)	(397)	(197)
Net finance income		<u>2,726</u>	<u>3,220</u>	<u>12,360</u>	<u>13,743</u>
		<u>33,057</u>	<u>31,625</u>	<u>122,388</u>	<u>105,796</u>
Share of profit of associates, net of tax		3,068	3,919	13,933	15,248
Share of profit equity accounted in joint venture, net of tax		-	-	1	-
		<u>3,068</u>	<u>3,919</u>	<u>13,934</u>	<u>15,248</u>
Profit before tax	8	<u>36,125</u>	<u>35,544</u>	<u>136,322</u>	<u>121,044</u>
Income tax expense	9	(8,572)	(8,288)	(31,279)	(27,141)
Profit net of tax, representing total comprehensive income for the year		<u>27,553</u>	<u>27,256</u>	<u>105,043</u>	<u>93,903</u>
Profit and total comprehensive income for the year attributable to :					
Equity holders of the Company		<u>27,553</u>	<u>27,256</u>	<u>105,043</u>	<u>93,903</u>
Earnings per share attributable to owners of the parent (sen per share):					
- Basic and diluted	10	<u>22.68</u>	<u>22.44</u>	<u>86.46</u>	<u>77.29</u>

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

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2014 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 December 2014	31 December 2013
	Note	RM'000	RM'000 (Audited)
Assets			
Non - current assets			
Property, plant and equipment	11	306,688	319,251
Intangible assets	12	1,181	1,156
Prepaid lease payments		12	17
Investment in associates		110,390	105,457
Investment in a joint venture		1	-
Other receivables		3,266	2,879
Total non - current assets		<u>421,538</u>	<u>428,760</u>
Current assets			
Inventories	13	101,905	106,871
Trade and other receivables		97,585	79,653
Cash and cash equivalents	14	303,820	400,458
Tax recoverable		154	-
Total current assets		<u>503,464</u>	<u>586,982</u>
Total assets		<u><u>925,002</u></u>	<u><u>1,015,742</u></u>
Equity attributable to equity holders of the Company			
Share Capital		123,956	123,956
Reserves		661,367	775,004
Total equity		<u>785,323</u>	<u>898,960</u>
Liabilities			
Non - current liabilities			
Provision	16	874	534
Deferred tax liabilities		29,595	32,443
Total non - current liabilities		<u>30,469</u>	<u>32,977</u>
Current liabilities			
Provision	16	774	698
Income tax payable		4,044	2,639
Loans and borrowings	17	10,871	6,024
Trade and other payables		93,511	74,444
Derivatives	29	10	-
Total current liabilities		<u>109,210</u>	<u>83,805</u>
Total liabilities		<u>139,679</u>	<u>116,782</u>
Total equity and liabilities		<u><u>925,002</u></u>	<u><u>1,015,742</u></u>
Net Assets per Share (RM)		<u>6.34</u>	<u>7.25</u>
Net Tangible Assets per Share (RM)		<u>6.33</u>	<u>7.24</u>

(*) - RM150.00 - negligible

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

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 - 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 2013	123,956	133,946	398	(20,633)	115,347	599,761	952,775
Net profit for the year	-	-	-	-	-	93,903	93,903
Final & Special dividend totalling 90 sen per share	-	-	-	-	-	(82,093)	(82,093)
Interim dividend totalling 32 sen per share	-	-	-	-	-	(29,181)	(29,181)
Special interim dividend totalling 30 sen per share	-	-	-	-	-	(36,444)	(36,444)
At 31 December 2013	123,956	133,946	398	(20,633)	115,347	545,946	898,960
At 1 January 2014	123,956	133,946	398	(20,633)	115,347	545,946	898,960
Net profit for the year	-	-	-	-	-	105,043	105,043
Final & Special dividend totalling 90 sen per share	-	-	-	-	-	(109,350)	(109,350)
Interim dividend totalling 40 sen per share	-	-	-	-	-	(48,591)	(48,591)
Special interim dividend totalling 50 sen per share	-	-	-	-	-	(60,739)	(60,739)
At 31 December 2014	123,956	133,946	398	(20,633)	115,347	432,309	785,323

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

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months ended	
	31 December 2014	31 December 2013
	RM'000	RM'000
Operating activities		
Profit before taxation	136,322	121,044
Adjustments for:		
Non-cash items		
Allowance for obsolete stock	310	134
Amortisation of prepaid lease payments	5	5
Amortisation of intangible assets	286	294
Depreciation of property, plant and equipment	45,322	44,234
Finance income	(12,757)	(13,940)
Finance cost	397	197
Inventories written off	267	190
Property, plant and equipment written off	270	467
Net gain on disposal of property, plant and equipment	(469)	(1,102)
Reversal of provision for restoration costs	(50)	(124)
Reversal of allowance for obsolete inventories	-	(55)
Reversal on impairment loss on receivables	(59)	-
Share of results of joint venture	(1)	-
Share of results of associates	(13,933)	(15,248)
Net fair value loss on derivatives (Note 8)	10	-
Waiver of advances in joint venture entity	101	-
	<u>19,699</u>	<u>15,052</u>
Operating cash flows before changes in working capital	156,021	136,096
<u>Changes in working capital:</u>		
Change in inventories	4,389	(5,465)
Change in trade and other receivables	(18,362)	(17,301)
Change in trade and other payables	19,464	5,576
Total changes in working capital	<u>5,491</u>	<u>(17,190)</u>
Interest received	12,757	13,940
Interest paid	(327)	(171)
Income taxes paid	<u>(32,876)</u>	<u>(29,070)</u>
	<u>(20,446)</u>	<u>(15,301)</u>
Net cash flows from operating activities	141,066	103,605
Investing activities		
Purchase of property, plant and equipment	(34,065)	(33,089)
Net proceeds from disposal of property, plant and equipment	1,505	4,720
Dividend income	9,000	5,280
Decrease in other deposits not for short-term funding requirements	145,000	5,000
Purchase of intangible assets	(311)	(98)
Net cash flows from/(used in) investing activities	121,129	(18,187)
Financing activities		
Dividends Paid	(218,680)	(147,718)
Net proceeds from borrowings	4,847	2,181
Net cash flows used in financing activities	(213,833)	(145,537)
Net increase/(decrease) in cash and cash equivalents	48,362	(60,119)
Cash & cash equivalents at 1 January	160,458	220,577
Cash & cash equivalents at 31 December (Note 14)	<u>208,820</u>	<u>160,458</u>

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

TASEK CORPORATION BERHAD
(Company No: 4698-W)
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 - 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 17 February 2015.

2. Accounting policies and methods of computation

These condensed consolidated interim financial statements, for the year ended 31 December 2014, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the 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 2013, 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 2013 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.

Except as described below, 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 2013.

3. Changes in accounting policy

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2014, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after the dates stated below:

Description	Effective for annual financial periods beginning on or after
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014

The adoption of the above standards and interpretations did not have any 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 having a material impact in the current reporting period.

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5. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 December 2014.

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
31.12.2014					
Segment revenue	547,487	176,251	4,195	-	727,933
Inter-segment revenue	(67,677)	-	(4,195)	-	(71,872)
Revenue from external customers	<u>479,810</u>	<u>176,251</u>	<u>-</u>	<u>-</u>	<u>656,061</u>
Segment profit/(loss)	118,858	1,147	(627)	(9,350)	110,028
Inter-segment elimination	(206)	206	-	-	-
	<u>118,652</u>	<u>1,353</u>	<u>(627)</u>	<u>(9,350)</u>	<u>110,028</u>
Segment profit/(loss)	118,858	1,147	(627)	(9,350)	110,028
Finance income	12,708	263	9	(223)	12,757
Finance cost	-	(620)	-	223	(397)
Share of profit from associates	-	-	-	13,933	13,933
Share of profit from joint venture	-	-	-	1	1
Profit/(loss) before tax	<u>131,566</u>	<u>790</u>	<u>(618)</u>	<u>4,584</u>	<u>136,322</u>
	Cement	Ready-mixed Concrete	All other segments	Adjustment and Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
31.12.2013					
Segment revenue	483,406	166,071	5,887	-	655,364
Inter-segment revenue	(72,468)	-	(5,887)	-	(78,355)
Revenue from external customers	<u>410,938</u>	<u>166,071</u>	<u>-</u>	<u>-</u>	<u>577,009</u>
Segment profit/(loss)	97,045	815	(314)	(5,493)	92,053
Inter-segment elimination	(212)	212	-	-	-
	<u>96,833</u>	<u>1,027</u>	<u>(314)</u>	<u>(5,493)</u>	<u>92,053</u>
Segment profit/(loss)	97,045	815	(314)	(5,493)	92,053
Finance income	14,057	39	10	(166)	13,940
Finance cost	-	(363)	-	166	(197)
Share of profit of associates	-	-	-	15,248	15,248
Profit/(loss) before tax	<u>111,102</u>	<u>491</u>	<u>(304)</u>	<u>9,755</u>	<u>121,044</u>

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Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	31.12.2014	31.12.2013
	RM'000	RM'000
Malaysia	637,305	535,232
Outside Malaysia	18,756	41,777
	<u>656,061</u>	<u>577,009</u>

The commentary on the performance of each of the business activity and the factors that have resulted in the revenue or profits improving or declining as compared with the corresponding periods of last quarter and year is discussed in Note 22.

7. Seasonal or cyclical factors

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

8. Profit before tax

Included in the profit before tax are the following items:

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
		RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):					
Amortisation of prepaid lease payments		2	2	5	5
Amortisation of intangible assets	12	76	75	286	294
Depreciation of property, plant and equipment	11	11,731	11,421	45,322	44,234
Waiver of advances in joint venture entity		1	-	101	-
Allowance for obsolete stock		310	134	310	134
Finance income		(2,843)	(3,301)	(12,757)	(13,940)
Finance cost		117	81	397	197
Net gain on disposal of property, plant and equipment		(217)	(543)	(469)	(1,102)
Inventories (written back)/written off		(258)	190	267	190
Property, plant and equipment written off	11	92	154	270	467
Gain on foreign exchange - realised		(100)	(29)	(179)	(77)
Net fair value loss on derivatives		10	-	10	-
Rental income		(147)	(85)	(612)	(578)

9. Income tax expense

		Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
		RM'000	RM'000	RM'000	RM'000
<u>Current Income tax</u>					
Malaysia	- Current year	(9,176)	(8,622)	(34,163)	(29,120)
	- Prior year	8	-	36	337
		<u>(9,168)</u>	<u>(8,622)</u>	<u>(34,127)</u>	<u>(28,783)</u>
<u>Deferred tax</u>					
	Origination and reversal of temporary differences	664	300	2,890	1,946
	(Under)/Over provision in respect of prior years	(68)	34	(42)	(304)
		<u>(8,572)</u>	<u>(8,288)</u>	<u>(31,279)</u>	<u>(27,141)</u>

The Group's effective tax rate for the current quarter is above the statutory tax rate of 25% in Malaysia mainly due to non tax-deductible expenses.

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10. Earnings per share

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 December 2013	31 December 2013	31 December 2013	31 December 2013
	RM'000	RM'000	RM'000	RM'000
(I) Basic earnings per share				
Profit net of tax attributable to owners of the parent	27,553	27,256	105,043	93,903
Less : 6% Preference Dividend	-	-	(20)	(20)
Proportion of profit attributable to preference shareholders	(74)	(74)	(284)	(254)
Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share	<u>27,479</u>	<u>27,182</u>	<u>104,739</u>	<u>93,629</u>
Weighted average number of ordinary shares:				
Issued ordinary shares at 1 January ('000)	121,143	121,143	121,143	121,143
Effect of purchase of treasury shares ('000)	-	-	-	-
Weighted average number of ordinary shares at 31 December ('000)	<u>121,143</u>	<u>121,143</u>	<u>121,143</u>	<u>121,143</u>
Basic earnings per share (sen) for Profit for the year	<u>22.68</u>	<u>22.44</u>	<u>86.46</u>	<u>77.29</u>

(II) Diluted earnings per share

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

11. Property, plant and equipment

	Note	31 December	31 December
		2013	2013
		RM'000	RM'000
Net carrying amount:			
Balance at the beginning of year		319,251	334,481
Additions		34,065	33,089
Disposals		(1,036)	(3,618)
Less: Depreciation	8	(45,322)	(44,234)
Less: Written off	8	(270)	(467)
Balance at end of year		<u>306,688</u>	<u>319,251</u>

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12. Intangible assets

	Note	Computer software RM'000	Goodwill RM'000	Total RM'000
Cost:				
At 31 December 2013 and 1 January 2014		3,647	389	4,036
Additions		311	-	311
At 31 December 2014		<u>3,958</u>	<u>389</u>	<u>4,347</u>
Accumulated amortisation and impairment:				
At 31 December 2013 and 1 January 2014		2,880	-	2,880
Amortisation	8	286	-	286
At 31 December 2014		<u>3,166</u>	<u>-</u>	<u>3,166</u>
Net carrying amount:				
At 31 December 2013		<u>767</u>	<u>389</u>	<u>1,156</u>
At 31 December 2014		<u>792</u>	<u>389</u>	<u>1,181</u>

The recoverable amount of the investment in subsidiary and goodwill was determined by discounting the future cash flows projected based on actual operating results and management's assessment of future trends in the ready-mixed concrete industry. No impairment loss is recognised during the year as the recoverable amount is higher than the carrying amount.

13. Inventories

During the 12 months ended 31 December 2014, the Group recognised a write-down of inventory spares of RM267,000 (2013: RM190,000) related to obsolete machinery parts. The write-down is included in cost of sales.

14. Cash and cash equivalents

	31 December 2014	31 December 2013
	RM'000	RM'000
Cash and cash equivalents comprise:		
Cash at bank and in hand	32,000	17,417
Deposits with licensed banks	271,820	383,041
	<u>303,820</u>	<u>400,458</u>

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the financial year:

	31 December 2014	31 December 2013
	RM'000	RM'000
Total cash and bank balances	303,820	400,458
Less: Other deposits not for short-term funding requirements	(95,000)	(240,000)
	<u>208,820</u>	<u>160,458</u>

15. Changes in Debt and Equity Securities

There were no issuance and repayment of any debt or equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial year to date.

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16. Provision

	31 December 2014	31 December 2013
	RM'000	RM'000
Balance at the beginning of year	1,232	1,272
Arose during the period and year	549	305
Unwinding of discount	70	26
Reversal of provision	(50)	(124)
Payments during the year	(153)	(247)
Balance at end of year	<u>1,648</u>	<u>1,232</u>
At 31 December 2014		
Current	774	698
Non-current:		
Later than 1 year but not later than 2 years	874	534
	<u>1,648</u>	<u>1,232</u>

Provision for restoration costs

A provision is recognised for restoration cost associated with its subsidiary, Tasek Concrete Sdn Bhd's obligations to restore the lands at the end of the tenancy period. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within three years from the reporting date. Assumptions used to calculate the expected cost to dismantle and remove the batching plants from the site and the cost of restoring the land to its original state were based on management's best estimates.

17. Group borrowings and debts securities

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

	31 December 2014	31 December 2013
	RM'000	RM'000
Bankers' Acceptances (unsecured)	<u>10,871</u>	<u>6,024</u>

18. Dividends

Since the end of the previous financial year, the Company paid a final dividend totalling RM109.029 million on 28 May 2014, comprising single-tier final dividend of 30 sen and single-tier special dividend of 60 sen per share on the ordinary shares; and single-tier dividends totalling RM321,600 comprising preference dividend of 6 sen per share, single-tier final dividend of 30 sen per share and single-tier special dividend of 60 sen per share on the 6% Cumulative Participating Preference Shares in respect of the financial year ended 31 December 2013.

On 9 September 2014, the Company paid an interim dividend comprising single-tier dividend of 40 sen on the ordinary shares totalling RM48.457 million; and single-tier dividend of 40 sen per share on the 6% Cumulative Participating Preference Shares totalling RM134,000 in respect of the financial year ending 31 December 2014.

On 8 December 2014, the Company paid a special interim dividend comprising single-tier dividend of 50 sen on the ordinary shares totalling RM60.571 million; and single-tier dividend of 50 sen per share on the 6% Cumulative Participating Preference Shares totalling RM167,000 in respect of the financial year ending 31 December 2014.

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19. Commitments

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

	31 December 2014	31 December 2013
	RM'000	RM'000
<u>Property, plant & equipment</u>		
- Approved and contracted for	13,787	10,930
- Approved but not contracted for	8,178	11,420
	<u>21,965</u>	<u>22,350</u>

20. Contingencies

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

21. Events after the reporting period

There were no material events subsequent to the end of the period reported up to the date of issuance of this report.

22. Review of performance

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

The Group achieved higher net revenue of RM173 million for the current quarter as compared to RM155 million in the previous year's corresponding quarter mainly due to higher demand for cement in the domestic market. Despite the much higher net revenue, the Group's profit after tax of RM27.6 million for the current quarter was only marginally higher than RM27.3 million achieved in the previous year's corresponding quarter mainly due to lower profit margins from the cement segment arising from intense price competition in the domestic market. Lower interest income and lower share of profit from the Group's associated company during the current quarter also affected the current quarter's profit for the Group.

The cement segment achieved higher operating profit of RM29.2 million for the current quarter compared with RM27.9 million in the previous year's corresponding quarter mainly due to higher sales in the domestic market. However the segment's profit margin continue to be affected by the lower net pricing from the domestic market following the intense price competition among the cement manufacturers during the reporting quarter.

The concrete segment recorded an operating profit of RM683,000 in the current quarter compared with a loss of RM296,000 in the previous year's corresponding quarter mainly due to higher sales volume of ready-mixed concrete and improved pricing.

The Group's interest income of RM2.8 million for the current quarter of RM157,000 was lower compared to the previous year's corresponding quarter mainly due to lower amounts placed on time deposits.

Share of profit from the Group's associated company during the current quarter decreased to RM3.1 million from the previous year's corresponding quarter of RM3.9 million mainly due to higher costs of sales from more purchases of bulk cement to supplement the lower cement production from its own plant.

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

The Group's total net revenue for the reporting year increased by RM79 million to RM656.1 million mainly due to higher demand for cement in the domestic market. Improved pricing in ready-mixed concrete also contributed to the current year's higher revenue. The Group's profit after tax for the current year increased to RM105.0 million from RM93.9 million of previous year mainly from the improved sales revenue. However, the Group's profit was also partly affected by lower interest income and from lower share of profit from the Group's associated company.

The cement segment's higher operating profit of RM104.4 million for the current year compared with RM90.4 million of the previous year was mainly due to higher sales volume of cement from the domestic market. However, the segment's results was partly affected by lower net pricing and the higher cost of production arising from higher electricity tariffs, transportation cost and higher repair and maintenance from the plant's scheduled maintenance.

The concrete segment recorded an operating profit of RM673,000 for the current year as compared to a loss of RM361,000 in the previous year mainly due to improve contribution in margins.

The Group's interest income of RM12.8 million for the current year was RM1.2 million lower than previous year mainly due to lower amounts placed on time deposits.

Share of profit from the Group's associated company of the current year dropped to RM13.9 million from the previous year of RM15.2 million mainly due to higher production costs.

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

	Current quarter 31 December 2014 RM'000	Immediate preceding quarter 30 September 2014 RM'000
Revenue	172,967	148,680
Net profit before tax	33,057	23,390
Share of profit of associates and joint venture	3,068	4,008
Consolidated Profit before Tax	36,125	27,398

The Group's profit before tax for the current financial quarter increased to RM33.1 million compared with RM23.4 million of the immediate preceding quarter mainly due to higher net revenue recorded by both the cement and concrete segments. Contribution margins for both segments during the reporting quarter also registered an improvement compared to the immediate quarter.

Share of profit from the Group's associated company during the current financial quarter was lower at RM3.1 million compared to the immediate preceding quarter of RM4.0 million mainly due to lower sales volume and higher cost of sales.

24. Commentary on prospects

The outlook for the construction sector in the first quarter of 2015 is expected to remain positive despite the drop in oil prices and its weakening effect on the country's economy which may have a bearing on the development expenditure by the government. The ongoing government's MRT projects and LRT line extensions are expected to continue to lead the construction sector's growth for the first quarter of 2015.

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.

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27. Material litigation

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

28. Dividends

A proposed final single-tier dividend of 30 sen per share and special single-tier dividend of 50 sen per share (2013: single-tier 30 sen per share and special single-tier dividend of 60 sen per share) on the Ordinary Shares and on the 6% Cumulative Participating Preference Shares have been recommended subject to approval of shareholders.

Total Final and Special dividends per share:

	Current quarter 31 December 2014	Preceding corresponding quarter 31 December 2013
Ordinary (single-tier)	80.0 sen	90.0 sen
Preference (single-tier)	86.0 sen	96.0 sen

The final and special dividends, if approved by shareholders at the forthcoming Annual General Meeting, will be payable on 29 May 2015 to shareholders whose names appear in the Record of Depositors as at the close of business on 15 May 2015.

A Depositor shall qualify for entitlement only in respect of:

- (a) shares transferred into the Depositor's securities account before 4.00 p.m. on 15 May 2015 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

29. Derivative financial instruments

The outstanding forward foreign currency exchange contracts as at 31 December 2014 are as follows:

<u>Type of Derivatives</u>	<u>Note</u>	Contract value RM'000	Fair value Assets RM'000	Liabilities RM'000
Foreign Exchange Contracts - Less than 1 year	34	5,719	-	10

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 liabilities 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.

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

There were no gain/loss on fair value changes of financial liabilities for the current quarter ended.

31. Sales of unquoted investments and properties.

There were no sale of unquoted investments and properties during the current financial quarter and the financial year to date.

32. Purchases and sales of quoted securities

There were no purchases and/or sales of quoted securities for the current quarter and the financial year to date.

33. Realised and Unrealised Profit or (Losses) Disclosure

The breakdown of the retained profits of the Group as at 31 December 2014 and 31 December 2013 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Total retained profits of the Group :		
- Realised	370,627	491,808
- Unrealised	<u>(29,595)</u>	<u>(32,443)</u>
	341,032	459,365
Total share of retained profits from associate and jointly controlled entity :		
- Realised	92,689	88,229
- Unrealised	<u>(2,691)</u>	<u>(3,165)</u>
	431,030	544,429
Add: consolidation adjustments	1,279	1,517
Retained profits as per consolidated accounts	<u><u>432,309</u></u>	<u><u>545,946</u></u>

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34. Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Inputs that are based on observable market data, either directly or indirectly
- Level 3 Inputs that are not based on observable market data

As at the reporting date, the Group held the following financial liabilities that are measured at fair value:

	Note	Level 2 31 December 2014 RM'000	Level 2 31 December 2013 RM'000
Foreign Exchange Contracts	29	10	-

The Group uses Level 2 hierarchy for the above fair value measurement and there were no changes in the purpose of any financial liability that subsequently resulted in a different classification of that liability.

35. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2013 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN
COMPANY SECRETARY

17 FEBRUARY 2015
KUALA LUMPUR, MALAYSIA