

GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY TASEK CORPORATION BERHAD ("TASEK")

Issuer & Securities

Issuer/ Manager

HONG LEONG ASIA LTD.

Securities

HONG LEONG ASIA LTD. - SG1F76860344 - H22

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

30-Apr-2019 18:12:36

Status

New

Announcement Sub Title

Announcement by Tasek Corporation Berhad ("Tasek")

Announcement Reference

SG190430OTHRUA6S

Submitted By (Co./ Ind. Name)

Ng Siew Ping, Jaslin

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Attached an announcement in respect of the unaudited first quarter financial results for the period ended 31 March 2019 released today by Tasek, a subsidiary of the Company, to Bursa Malaysia Securities Berhad.

Attachments

[Financial%20Results_1st%20Quarter%20FYE2019.pdf](#)

Total size =406K MB

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2019

TASEK CORPORATION BERHAD

| | |
|---|-----------------------|
| Financial Year End | 31 Dec 2019 |
| Quarter | 1 Qtr |
| Quarterly report for the financial period ended | 31 Mar 2019 |
| The figures | have not been audited |

Attachments

[Bursa 1Qtr2019 \(announcement\).pdf](#)
504.3 kB

| | |
|-------------------------|-----------------------|
| Default Currency | Other Currency |
|-------------------------|-----------------------|

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2019

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|-------------------------------------|--------------------------------------|---|-------------------------------------|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | 31 Mar 2019 | 31 Mar 2018 | 31 Mar 2019 | 31 Mar 2018 |
| | \$\$'000 | \$\$'000 | \$\$'000 | \$\$'000 |
| 1 Revenue | 137,264 | 136,329 | 137,264 | 136,329 |
| 2 Profit/(loss) before tax | -9,942 | -4,000 | -9,942 | -4,000 |
| 3 Profit/(loss) for the period | -10,420 | -4,428 | -10,420 | -4,428 |
| 4 Profit/(loss) attributable to ordinary equity holders of the parent | -10,420 | -4,428 | -10,420 | -4,428 |
| 5 Basic earnings/(loss) per share (Subunit) | -8.62 | -3.67 | -8.62 | -3.67 |
| 6 Proposed/Declared dividend per share (Subunit) | 0.00 | 0.00 | 0.00 | 0.00 |
| | 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 (\$\$) | 4.3388 | 4.3987 |
|---|---|--------|--------|

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 | 30 Apr 2019 |
| Category | Financial Results |
| Reference Number | FRA-29042019-00004 |

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Current quarter 3 months ended 31 March | | Cumulative quarter 3 months ended 31 March | |
|---|------|---|----------------|--|----------------|
| | | 2019 RM'000 | 2018 RM'000 | 2019 RM'000 | 2018 RM'000 |
| Revenue | | 137,264 | 136,329 | 137,264 | 136,329 |
| Cost of sales | | (115,113) | (111,572) | (115,113) | (111,572) |
| Gross profit | | 22,151 | 24,757 | 22,151 | 24,757 |
| Other (expense)/income | | 784 | 2,226 | 784 | 2,226 |
| Selling and Distribution Expenses | | (27,904) | (27,519) | (27,904) | (27,519) |
| Administrative Expenses | | (5,509) | (5,840) | (5,509) | (5,840) |
| Operating loss | | (10,478) | (6,376) | (10,478) | (6,376) |
| Finance income | 8 | 496 | 1,034 | 496 | 1,034 |
| Finance cost | 8 | (278) | (98) | (278) | (98) |
| Net finance income | | 218 | 936 | 218 | 936 |
| | | (10,260) | (5,440) | (10,260) | (5,440) |
| Share of results of associates, net of tax | | 318 | 1,440 | 318 | 1,440 |
| Loss before tax | 8 | (9,942) | (4,000) | (9,942) | (4,000) |
| Income tax expense | 9 | (478) | (428) | (478) | (428) |
| Loss net of tax for the quarter/period ended | | (10,420) | (4,428) | (10,420) | (4,428) |
| Other comprehensive income: | | | | | |
| <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 | 3,172 | (2,982) | 3,172 | (2,982) |
| Total comprehensive income for the quarter/period ended | | (7,248) | (7,410) | (7,248) | (7,410) |

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)
 (Incorporated in Malaysia)
 and its subsidiaries

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | Current quarter 3 months ended 31 March | | Cumulative quarter 3 months ended 31 March | |
|--|------|---|----------------|--|----------------|
| | Note | 2019 RM'000 | 2018 RM'000 | 2019 RM'000 | 2018 RM'000 |
| Loss attributable to : | | | | | |
| Equity holders of the Company | | <u>(10,420)</u> | <u>(4,428)</u> | <u>(10,420)</u> | <u>(4,428)</u> |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | <u>(7,248)</u> | <u>(7,410)</u> | <u>(7,248)</u> | <u>(7,410)</u> |
| Loss per share attributable to equity holders of the Company (sen per share): | | | | | |
| - Basic and diluted | 10 | <u>(8.62)</u> | <u>(3.67)</u> | <u>(8.62)</u> | <u>(3.67)</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)
(Incorporated in Malaysia)
and its subsidiaries

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2019 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 31 March 2019 RM'000 | 31 December 2018 RM'000 (Audited) |
|---|-------------|-------------------------|---|
| Assets | Note | | |
| Non - current assets | | | |
| Property, plant and equipment | 11 | 242,399 | 243,536 |
| Intangible assets | 12 | 1,984 | 1,114 |
| Investment in associates | | 75,879 | 75,561 |
| Investment in equity investment | | 12,003 | 4,165 |
| Right-of-use assets | | 7,652 | - |
| Other receivables | | 259 | 329 |
| Total non - current assets | | <u>340,176</u> | <u>324,705</u> |
| Current assets | | | |
| Inventories | 13 | 106,825 | 130,335 |
| Trade and other receivables | | 130,354 | 108,541 |
| Tax recoverable | | 8,954 | 12,110 |
| Cash and bank balances | 14 | 68,744 | 60,534 |
| Total current assets | | <u>314,877</u> | <u>311,520</u> |
| Total assets | | <u><u>655,053</u></u> | <u><u>636,225</u></u> |
| Equity attributable to equity holders of the Company | | | |
| Share Capital | | 258,300 | 258,300 |
| Reserves | | 267,321 | 274,569 |
| Total equity | | <u>525,621</u> | <u>532,869</u> |
| Liabilities | | | |
| Non - current liabilities | | | |
| Provisions | 16 | 1,780 | 1,763 |
| Deferred tax liabilities | | 10,036 | 10,036 |
| Lease liabilities | | 5,310 | - |
| Total non - current liabilities | | <u>17,126</u> | <u>11,799</u> |
| Current liabilities | | | |
| Provisions | 16 | 575 | 575 |
| Loans and borrowings | 17 | 18,394 | 11,366 |
| Trade and other payables | | 90,935 | 79,616 |
| Lease liabilities | | 2,402 | - |
| Total current liabilities | | <u>112,306</u> | <u>91,557</u> |
| Total liabilities | | <u>129,432</u> | <u>103,356</u> |
| Total equity and liabilities | | <u><u>655,053</u></u> | <u><u>636,225</u></u> |
| Net Assets per Share (RM) | | <u>4.34</u> | <u>4.40</u> |
| Net Tangible Assets per Share (RM) | | <u>4.32</u> | <u>4.39</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
(Company No: 4698-W)
(Incorporated in Malaysia)
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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to equity holders of the Company | | | | | |
|----------------------------|---|-------------------------------|-----------------|-----------------|------------------|---------|
| | Non - distributable | | | Distributable | | Total |
| | Share Capital | Fair Value Adjustment Reserve | Treasury Shares | General Reserve | Retained Profits | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| 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 |
| At 1 January 2018 | 258,300 | 99 | (20,633) | 115,347 | 234,712 | 587,825 |
| Total comprehensive income | - | (2,982) | - | - | (4,428) | (7,410) |
| At 31 March 2018 | 258,300 | (2,883) | (20,633) | 115,347 | 230,284 | 580,415 |

The Condensed Consolidated Statement of Changes in Equity 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
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 3 Months ended | |
|--|----------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| | RM'000 | RM'000 |
| <u>Operating activities</u> | | |
| Loss before taxation | (9,942) | (4,000) |
| <u>Adjustments for:</u> | | |
| Amortisation of intangible assets | 123 | 88 |
| Amortisation and depreciation of property, plant and equipment and right-of-use assets | 9,258 | 9,660 |
| Finance cost | 278 | 98 |
| Finance income | (496) | (1,034) |
| Property, plant and equipment written off | 8 | 2 |
| Share of results of associates | (318) | (1,440) |
| | 8,853 | 7,374 |
| Operating cash flows before changes in working capital | (1,089) | 3,374 |
| <u>Changes in working capital:</u> | | |
| Change in inventories | 23,510 | 5,914 |
| Change in trade and other receivables | (21,743) | (14,858) |
| Change in trade and other payables | 11,319 | 6,693 |
| Total changes in working capital | 13,086 | (2,251) |
| Interest received | 496 | 1,034 |
| Interest paid | (128) | (98) |
| Income taxes refund | 2,678 | 710 |
| | 3,046 | 1,646 |
| Net cash flows generated from operating activities | 15,043 | 2,769 |
| <u>Investing activities</u> | | |
| Investment in equity investment | (4,666) | (2,308) |
| Purchase of property, plant and equipment | (7,272) | (7,797) |
| Purchase of intangible assets | (993) | (130) |
| Withdrawal of short term deposits more than three months | - | 20,000 |
| Net cash flows (used in)/generated from investing activities | (12,931) | 9,765 |
| <u>Financing activities</u> | | |
| Repayment on lease liabilities | (930) | - |
| Net proceeds from/(repayment to) loans & borrowings | 7,028 | (1,596) |
| Net cash flows generated from/(used in) financing activities | 6,098 | (1,596) |
| Net increase in cash and cash equivalents | 8,210 | 10,938 |
| Cash & cash equivalents at 1 January | 60,534 | 92,832 |
| Cash & cash equivalents at 31 March (Note 14) | 68,744 | 103,770 |

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 2019 - 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 30 April 2019.

2. Accounting policies and methods of computation

These condensed consolidated interim financial statements, for the period ended 31 March 2019, 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 2018, 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 2018 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 2018.

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 2019 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 2019, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after the dates stated below:

| Description | Effective for annual financial periods beginning on or after |
|--|---|
| 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 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - 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.

| Description | Effective for annual financial periods beginning on or after |
|---|---|
| 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 will not have any material effect on the financial performance or position of the Group .

MFRS 16 : Leases - Impacts on financial statements

On MFRS 16 Leases, the Group adopt the new standard on the required effective date using the modified retrospective approach and recognise a right-of-use asset and a corresponding lease liability. The following table presents the impact of changes to the statements of financial position of the Group resulting from the adoption of MFRS 16 Leases as at 1 January 2019:

| <u>Group</u> | 31 December 2018 RM'000 | Changes RM'000 | 1 January 2019 RM'000 |
|---------------------------------------|--|---------------------------|--------------------------------------|
| <u>Non-current assets</u> | | | |
| Right-of-use assets | - | 8,509 | 8,509 |
| <u>Non-current liabilities</u> | | | |
| Lease liabilities | - | 5,307 | 5,307 |
| <u>Current liabilities</u> | | | |
| Lease liabilities | - | 3,202 | 3,202 |
| Total lease liabilities | - | 8,509 | 8,509 |

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 2019.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED

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 |
| 31.3.2019 | | | | | |
| Segment revenue | 100,388 | 55,679 | - | - | 156,067 |
| Inter-segment revenue | (18,803) | - | - | - | (18,803) |
| Revenue from external customers | <u>81,585</u> | <u>55,679</u> | <u>-</u> | <u>-</u> | <u>137,264</u> |
| Segment profit/(loss) | (11,810) | 1,547 | (215) | - | (10,478) |
| Inter-segment elimination | (399) | 354 | 45 | - | - |
| | <u>(12,209)</u> | <u>1,901</u> | <u>(170)</u> | <u>-</u> | <u>(10,478)</u> |
| Segment profit/(loss) | (11,810) | 1,547 | (215) | - | (10,478) |
| Finance income | 595 | 59 | 0 | (158) | 496 |
| Finance cost | (26) | (252) | (158) | 158 | (278) |
| Share of profit from associates | - | - | - | 318 | 318 |
| Profit/(loss) before tax | <u>(11,241)</u> | <u>1,354</u> | <u>(373)</u> | <u>318</u> | <u>(9,942)</u> |
| 31.3.2018 | | | | | |
| Segment revenue | 101,745 | 56,032 | 1,342 | - | 159,119 |
| Inter-segment revenue | (21,448) | - | (1,342) | - | (22,790) |
| Revenue from external customers | <u>80,297</u> | <u>56,032</u> | <u>-</u> | <u>-</u> | <u>136,329</u> |
| Segment profit/(loss) | (7,500) | 1,309 | (95) | (90) | (6,376) |
| Inter-segment elimination | (435) | 381 | 54 | - | - |
| | <u>(7,935)</u> | <u>1,690</u> | <u>(41)</u> | <u>(90)</u> | <u>(6,376)</u> |
| Segment profit/(loss) | (7,500) | 1,309 | (95) | (90) | (6,376) |
| Finance income | 1,039 | 80 | - | (85) | 1,034 |
| Finance cost | (7) | (91) | (85) | 85 | (98) |
| Share of profit of associates | - | - | - | 1,440 | 1,440 |
| Profit/(loss) before tax | <u>(6,468)</u> | <u>1,298</u> | <u>(180)</u> | <u>1,350</u> | <u>(4,000)</u> |

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

| | 31.3.2019 | 31.3.2018 |
|------------------|----------------|----------------|
| | RM'000 | RM'000 |
| Malaysia | 137,213 | 133,724 |
| Outside Malaysia | 51 | 2,605 |
| | <u>137,264</u> | <u>136,329</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 FIRST QUARTER ENDED 31 MARCH 2019 - 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 before tax

Included in the loss before tax are the following items:

| | Note | Current quarter 3 months ended | | Cumulative quarter 3 months ended | |
|---|------|-----------------------------------|------------------|--------------------------------------|------------------|
| | | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Loss before tax is arrived at after charging/(crediting): | | | | | |
| Amortisation of intangible assets | 12 | 123 | 88 | 123 | 88 |
| Amortisation and depreciation of property, plant and equipment | 11 | 8,401 | 9,660 | 8,401 | 9,660 |
| Depreciation of right-of-use asset | | 857 | - | 857 | - |
| Finance income | | (496) | (1,034) | (496) | (1,034) |
| Finance cost | | 278 | 98 | 278 | 98 |
| Property, plant and equipment written off | 11 | 8 | 2 | 8 | 2 |
| Net gain on foreign exchange - realised | | (28) | (18) | (28) | (18) |
| Rental income | | (174) | (307) | (174) | (307) |

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 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Current Income tax</u> | | | | |
| Malaysia - Current year | (446) | (428) | (446) | (428) |
| - Prior year | (32) | - | (32) | - |
| | (478) | (428) | (478) | (428) |

Despite the Group's loss in the current quarter to date, the tax is derived from income of a subsidiary.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED

10. Earnings per share

| | Current quarter 3 months ended | | Cumulative quarter 3 months ended | |
|--|-----------------------------------|------------------|--------------------------------------|------------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (I) Basic earnings per share | | | | |
| Loss net of tax attributable to equity holders of the Company | (10,420) | (4,428) | (10,420) | (4,428) |
| Less : 6% Preference Dividend | (20) | (20) | (20) | (20) |
| Loss net of tax attributable to equity holders of the Company used in the computation of basic earnings per share | (10,440) | (4,448) | (10,440) | (4,448) |
| Weighted average number of ordinary shares in issue at 31 March ('000) | 121,143 | 121,143 | 121,143 | 121,143 |
| Basic loss per share (sen) | (8.62) | (3.67) | (8.62) | (3.67) |

(II) Diluted earnings per share

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

11. Property, plant and equipment

| | Note | 31 March 2019 | 31 December 2018 |
|----------------------------------|------|------------------|---------------------|
| | | RM'000 | RM'000 |
| Net carrying amount: | | | |
| Balance at the beginning of year | | 243,536 | 242,578 |
| Additions | | 7,272 | 37,049 |
| Disposals | | - | (660) |
| Less: Depreciation | 8 | (8,401) | (35,184) |
| Less: Written off | 8 | (8) | (247) |
| Balance at end of period/year | | 242,399 | 243,536 |

12. Intangible assets

| | Note | 31 March 2019 | 31 December 2018 |
|----------------------------------|------|------------------|---------------------|
| | | RM'000 | RM'000 |
| Net carrying amount: | | | |
| Balance at the beginning of year | | 1,114 | 1,285 |
| Additions | | 993 | 194 |
| Less: Amortisation | 8 | (123) | (364) |
| Less: Written off | | - | (1) |
| Balance at end of period/year | | 1,984 | 1,114 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED

13. Inventories

During the period ended 31 March 2019, there were no material write-down of inventories to net realisable value nor the reversal of such write-down recognised in the Group's statement of comprehensive income.

14. Cash and bank balances

| | 31 March 2019 | 31 December 2018 |
|---|------------------|---------------------|
| | RM'000 | RM'000 |
| Cash at banks and on hand | 28,074 | 16,004 |
| Short term deposits with licensed banks | 40,670 | 44,530 |
| | <u>68,744</u> | <u>60,534</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 2019 | 31 December 2018 |
| | RM'000 | RM'000 |
| Balance at the beginning of year | 2,338 | 2317 |
| Arose during the period/year | - | 559 |
| Unwinding of discount | 17 | 52 |
| Reversal of provision | - | (14) |
| Payments during the period/year | - | (576) |
| Balance at end of period/year | <u>2,355</u> | <u>2,338</u> |

At 31 March 2019

| | | |
|---|--------------|--------------|
| Current | 575 | 575 |
| Non-current: | | |
| - Later than 1 year but not later than 5 years | 403 | 135 |
| - Later than 2 years but not later than 5 years | 607 | 866 |
| - More than 10 years | 770 | 762 |
| | <u>2,355</u> | <u>2,338</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.

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
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED

17. Group borrowings and debts securities

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

| | 31 March 2019 | 31 December 2018 |
|----------------------------------|------------------|---------------------|
| | RM'000 | RM'000 |
| Bankers' Acceptances (unsecured) | 18,394 | 11,366 |

18. Dividends

No dividend was paid during the current quarter (1st Quarter of 2018: 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 2019 | 31 March 2018 |
|--|------------------|------------------|
| | RM'000 | RM'000 |
| <u>Property, plant & equipment</u> | | |
| - Approved and contracted for | 6,831 | 14,125 |
| - Approved but not contracted for | 8,364 | 1,339 |
| | 15,195 | 15,464 |

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

Current Quarter vs. Corresponding Quarter of Previous Year

For the current quarter, the Group registered net revenue of RM137.3 million and loss after tax of RM10.4 million compared with net revenue of RM136.3 million and loss after tax of RM4.4 million of the corresponding quarter of previous year. The higher current quarter loss was mainly contributed by the cement segment which continue to be affected by the prolonged price competition and higher cost of production. In addition, lower interest income and lower share of profit from associate company in the current quarter further affected the performance of the Group.

The cement segment recorded a net revenue of RM100.4 million and a loss of RM11.8 million for the current quarter compared with net revenue of RM101.7 million and loss of RM7.5 million of the corresponding quarter of previous year mainly due to the competitive pricing in the domestic market. The industry is faced with an excess capacity situation resulting in intensified pricing competition since the middle of 2016 and this was further compounded by the lower demand for cement during the current quarter. In addition, higher production costs due to scheduled plant maintenance and higher electricity costs during the current quarter further affected performance.

The ready-mixed concrete segment recorded a marginally lower net revenue of RM55.6 million and a profit of RM1.5 million for the current quarter compared with net revenue of RM56.0 million and profit of RM1.3 million of the corresponding quarter of previous year. The marginal decrease in net revenue despite a slight increase in sales volume was mainly due to the closure of a site plant producing high grade concrete for projects in the city center.

The Group's interest income of RM496,000 for the current quarter was lower than RM1.0 million of the corresponding quarter of previous year due to lesser amount of funds placed on term deposits.

The lower share of profit from the associate company in the current quarter compared with corresponding quarter of previous year was mainly due to the higher cost of sales of the associate company arising from the increased cost of imported raw materials.

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 March 2019 RM'000 | Immediate preceding quarter 31 December 2018 RM'000 |
|--------------------------------|--|--|
| Revenue | 137,264 | 134,991 |
| Net loss before tax | (10,260) | (12,996) |
| Share of results of associates | 318 | (1,098) |
| Consolidated loss before tax | (9,942) | (14,094) |

The Group recorded an increase in net revenue of RM137.3 million from RM135.0 million of the immediate preceding quarter mainly due to higher sales volume in both the cement and ready-mixed concrete segments. However the prolonged intense pricing competition continue to affect the contribution margin of both the cement and ready-mixed concrete segments during the current financial quarter. Lower interest income resulting from lower fund placements in term deposits also affected the Group's performance for the current financial quarter. The Group's share of loss of associate company of RM1.1 million in the immediate preceding quarter was due to adjustment for consumption of raw materials and provision for doubtful debt.

24. Commentary on prospects

The Board foresees the second quarter to continue to be affected by the pricing competition due to low cement demand from the subdued construction sector. However, the construction sector may improve if the announced revival by Government of mega projects such as the East Coast Rail Link (ECRL), Klang Valley double-tracking and development of Bandar Malaysia proceed as planned.

25. Profit forecast or profit guarantee

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

26. Corporate proposals

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

27. Material litigation

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

28. Dividends

No interim dividend has been declared for the current quarter ended 31 March 2019 (1st Quarter of 2018 : Nil).

29. Derivative financial instruments

There were no outstanding forward foreign currency exchange contracts during the current quarter ended.

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

There were no gain/loss on fair value changes of financial assets and liabilities for the current quarter ended (1st Quarter of 2018 : 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED

32. Purchases and sales of quoted securities

Investment in quoted securities held by the Group as at 31 March 2019 was as follows:

| | Cumulative quarter 3 months ended 31 March 2019 |
|--|--|
| | <u>RM'000</u> |
| Quoted investment in Malaysia, at fair value | 4,165 |
| Addition | 4,666 |
| Fair value gain recognised in other comprehensive income | 3,172 |
| At market value/carrying value | <u>12,003</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 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 2018 was not qualified.

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN
COMPANY SECRETARY

30 APRIL 2019
KUALA LUMPUR, MALAYSIA