

Walaupun pemulihan ekonomi di Amerika Syarikat agak lembap, ekonomi Malaysia telah berjaya mencatatkan pertumbuhan positif sebanyak 0.4% dalam tahun 2001. Jangkaan pertumbuhan GDP sebanyak 3.5% bagi tahun 2002 menunjukkan pandangan optimis kerajaan Malaysia terhadap ekonomi domestik negara. Ini adalah selaras dengan pengumuman belanjawan sebanyak RM7.3 bilion yang diperuntukkan bagi menjana sektor pembinaan domestik, dimana kesannya kepada ekonomi negara sudah mula dirasakan.

KEPUTUSAN

Peningkatan dalam permintaan dan kestabilan harga jualan bersih simen bagi tahun berakhir 30 Jun 2002 telah membolehkan Syarikat mencatatkan peningkatan di dalam jualan sebanyak 13% iaitu kepada RM233.6 juta. Walaubagaimanapun, keuntungan sebelum cukai Syarikat sebanyak RM25.7 juta (2001: RM29.8 juta) telah dijejaskan dengan peningkatan dalam kadar susutnilai yang dikenakan dalam tahun sebanyak RM32.9 juta (2001: RM15.1 juta). Peningkatan ini adalah disebabkan oleh permulaan pengeluaran komersil daripada pemulihan klin 3 dalam tahun semasa. Pada tahap Kumpulan, keuntungan sebelum cukai sebanyak RM35 juta adalah 7% lebih tinggi daripada tahun lepas.

PENYATA PENERUSI



DIVIDEN

Lembaga mengesyorkan dividen akhir sebanyak 7% tolak cukai bagi tahun berakhir 30 Jun 2002. Jumlah bayaran dividen bagi tahun adalah sebanyak RM13.2 juta. Ini termasuk dividen interim sebanyak 3% tolak cukai yang telah dibayar dalam tahun. Dividen akhir tersebut akan dibayar pada 10 Disember 2002 apabila ianya diluluskan oleh pemegang-pemegang saham dalam Mesyuarat Agung Tahunan yang akan datang.

Tasek's cement was used in the construction of the SPLASH dam project in Selangor:-

Left: The outlet portal

Centre: The filtration chamber

Right: The control tower

PENYATA TADBIR URUS KORPORAT

Lembaga menyokong prinsip-prinsip yang dinyatakan di dalam Kod Tadbir Urus Korporat Malaysia dan akan berusaha untuk memastikan agar kegiatan Syarikat menurut kepada akauntabiliti dan telus agar nilai pemegang saham dapat diperkukuhkan dan bagi menjaga harta Syarikat.

Penyata Lembaga bagi Tadbir Urus Korporat dan Kawalan Dalaman dinyatakan pada muka surat 20 hingga 24 dalam Laporan Tahunan.



EMPLOYEES AND INDUSTRIAL RELATIONS

With the cooperation of the Union, industrial relations were again harmoniously maintained during the year and the Company wish to express its appreciation to the Union for working with management to achieve this result to the mutual benefit of all concerned.

In appreciation and recognition of the contributions of long serving employees, the Company will be awarding long service gold awards to 58 employees this year.

PROSPECTS

The cement industry is expected to be one of the main beneficiaries of the Government's RM7.3 billion pump-priming measures earmarked for the construction industry. Following this, and barring unforeseen circumstances, the Company's results for the year ending 30 June 2003 is expected to be satisfactory.

DIRECTORATE

It is with sadness that we record the passing of Dato' Yeoh Kean Hin on 20 April 2002. Dato' Yeoh had been a director of the Company since its inception and the Board will miss his invaluable guidance and contributions.

I wish to express our sincere appreciation to Mr. Kwek Leng Beng, Dato' Tan Eng Soon and Mr. Hideo Iwasaki and his alternate Mr. Kenichi Miura, who resigned from the Board during the year, for their contributions and support during their term of office.

And I would like to welcome Mr. Wrixon Frank Gasteen, who joined the Board as a non-executive director during the year.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express our gratitude to our shareholders, distributors, bankers, suppliers business associates and customers for their continuing support and to thank all Directors, employees and management for their contributions during the year.

QUEK LENG CHAN

Chairman

26 August 2002.



Left: Quality control tests being carried out on cement products at the Laboratory.

Right: A cross-section of the interior of one of the Kilns in the factory.

SYARIKAT SYARIKAT BERSEKUTU

Kedua-dua Syarikat bersekutu masih berjaya mencapai prestasi yang baik dan menyumbangkan keuntungan sebanyak RM9.3 juta (2001: RM10.2 juta) kepada Kumpulan.

Rock Chemical Industries (Malaysia) Bhd dalam tahun kewangan semasa telah menjual 40% kepentingan ekuiti dalam perniagaan simen kapur kepada syarikat usahasanya iaitu Aalborg White A/S and The Industrialisation Fund for Developing Countries.

HUBUNGAN PARA PEKERJA DAN PERINDUSTRIAN

Sepanjang tahun ini, hubungan perindustrian telah dikekalkan secara harmoni bagi manfaat semua yang terlibat dan kerjasama Kesatuan Pekerja adalah amat dihargai.

Bagi menghargai peranan dan sumbangan pekerja-pekerja yang telah lama berkhidmat dalam Syarikat, pihak Syarikat akan menghadiahkan anugerah emas kepada 58 pekerja tahun ini.

PROSPEK

Industri simen dijangka akan menjadi benefisiari utama bagi peruntukan Kerajaan sebanyak RM7.3 bilion untuk menjana sektor pembinaan. Sekiranya tiada keadaan yang tidak dapat diramalkan, keputusan Syarikat bagi tahun berakhir 30 Jun 2003 dijangka akan kekal pada tahap yang memuaskan.

PENGARAH-PENGARAH

Kami berdukacita dengan pemergian mendiang Dato' Yeoh Kean Hin pada 20 April 2002. Mendiang Dato' Yeoh telah menjadi Pengarah Syarikat sejak Syarikat ditubuhkan dan pihak Lembaga merasa kehilangan kepimpinan dan sumbangan beliau.

Saya juga ingin mengambil kesempatan ini untuk merakamkan penghargaan kepada Encik Kwek Leng Beng, Dato' Tan Eng Soon dan Encik Hideo Iwasaki dan pengarah gantiannya, Encik Kenichi Miura yang telah meletak jawatan sebagai Pengarah Syarikat dalam tahun kewangan ini. Bagi pihak Lembaga, saya ingin merakamkan penghargaan terhadap sumbangan dan sokongan mereka dalam tempoh mereka memegang jawatan Pengarah.

Saya ingin mengambil kesempatan ini juga untuk mengalu-alukan kedatangan Encik Wrixon Frank Gasteen ke dalam Lembaga Pengarah sebagai pengarah bukan eksekutif.

PENGHARGAAN

Bagi pihak Lembaga, saya ingin merakamkan penghargaan kepada kesemua kakitangan dan pengurusan, para pemegang saham, para pendedar, pihak bank, para pembekal, sekutu perniagaan dan pelanggan atas sokongan mereka yang berterusan kepada Syarikat sepanjang tahun ini.

QUEK LENG CHAN

Pengerusi

26 Ogos 2002



Left: Hot gas duct from the preheater tower leading to the ID fan.

Right: The main raw materials used to produce cement.



The Board Audit Committee of Tasek Corporation Berhad comprises five members, three of whom are independent non-executive directors. The members of the Committee are as follows:

- 1) Datuk Dr. Hussein Awang - Chairman
(Independent Non-Executive Director)
- 2) Dato' Shamsul Bahari bin Salleh Khir
(Independent Non-Executive Director)
- 3) Raja Dato' Seri Abdul Aziz bin Raja Salim
(Independent Non-Executive Director)
- 4) Kwek Leng Peck
(Non-Executive Director)
- 5) Tan Eng Sim
(Non-Executive Director)

The Committee's Terms of Reference are:

- I The Audit Committee shall consist of at least three directors, a majority of whom are independent. The Chairman of the Audit Committee shall be an independent non-executive director. The Committee shall meet at least twice a year and any two independent directors present at a meeting shall form a quorum.
- II The duties of the Audit Committee shall include the following:
 - (a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal.
 - (b) To discuss with the external auditor before the audit commences, the nature and scope of the audit.
 - (c) To review the quarterly and year-end financial statements of the Company, focussing particularly on -
 - Any change in major accounting policies and practices;
 - Significant and unusual events;
 - The going concern assumption;
 - Compliance with accounting standards and other legal requirements.
 - (d) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss.
 - (e) To review the external auditor's audit report, management letter and management's response.
 - (f) To review the assistance given by the employees of the Company to the external auditor.
 - (g) To do the following in respect of the Company's internal audit function -



- Reviewing the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- Review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
- Review any appraisal or assessment of the performance of members of the internal audit function;
- Approve any appointment or termination of senior staff members of the internal audit function;
- Inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

- (h) To consider any related party transactions that may arise within the Company or Group.
- (i) To consider major findings of internal investigations and management's response.
- (j) To consider other topics as defined by the Board.

III The Audit Committee shall have explicit authority to investigate any matter within its terms of reference; the resources which it needs to do so and full access to information. The Committee should be able to obtain external professional advice and to invite outsiders with relevant experience to attend, if necessary.

IV The Audit Committee shall meet regularly, with due notice of issues to be discussed and should record its conclusions in discharging its duties and responsibilities.

During the financial year ended 30 June 2002, the Audit Committee held four meetings. Details of the attendance of the meetings by the Committee Members are as follows:

Members	Total
1) Datuk Dr. Hussein Awang	4/4
2) Dato' Shamsul Bahari bin Salleh Khir	2/4
3) Raja Dato' Seri Abdul Aziz bin Raja Salim	4/4
4) Kwek Leng Peck	4/4
5) Tan Eng Sim	3/4

The Audit Committee has carried out its duties as set out in its Terms of Reference during the financial year ended 30 June 2002. New accounting standards applicable to the financial statements and the additional disclosures required by the revamped Listing Requirements of Kuala Lumpur Stock Exchange were discussed and considered. The adequacy of the Company's existing risk management systems and internal controls were discussed and addressed and an external consultant was appointed to assist management review the same.

The Internal Audit Department reports to the Audit Committee and conducts regular audits on the internal controls, operations and processes with follow-up audits at the end of the year. Other main activities performed by Internal Audit Department are review and monitoring of the Company's risk management and corporate governance. Reports are issued to the Committee on a timely basis for appraisal at the Committee meetings.



The Board of Directors supports the principles and best practices outlined in the Malaysian Code on Corporate Governance.

This statement sets out how the Company has applied the principles and complied with the recommended best practices for its financial year ended 30 June 2002.

Board of Directors

The Company is headed by a Board of Directors, which leads, strategise and controls the direction of the Company, and taking care of macro issues while the management carries out the implementation.

The Board has a balance of executive, non-executive and independent directors so that there is no domination by a group or an individual in decision making. The present 12 member Board comprises an executive chairman, 2 executive directors, 5 non-executive directors and 4 independent non-executive directors. The concept of independence adopted by the Board is in line with the Kuala Lumpur Stock Exchange's definition of an independent director, which is, an independent director is not a member of management and is free of any relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. The Board also complies with the Kuala Lumpur Stock Exchange's requirement that at least one-third of its members are made up of independent directors.

Together, the Directors bring a wide range of business, financial and technical experience and expertise necessary to ensure effective board processes. A brief profile of each director is presented on pages 7 to 10 of the Annual Report.

The process of any appointment to the Board is central to enhance governance and the Board as a whole performs the process of nomination of new directors and assessment of directors. Under the Company's Articles of Association, all Directors are subject to retirement by rotation once every three years. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment.

All the Directors have successfully undergone the Mandatory Accreditation Programme (MAP) for directors of companies conducted by the KLSE.

Meetings

The Board ordinarily meets four times a year at quarterly intervals with additional meetings convened when necessary. The meetings for each year are scheduled at the beginning of the year, and during the financial year ended 30 June 2002, four meetings were held where the Board deliberated upon and considered a variety of matters including the Group's financial results, business plans and budgets, acquisitions and disposals of major investments, changes to management and control structure of the Company including key policies, procedures and management authority limits. The attendance of the meetings by each Director is listed on the Statement Accompanying the Notice of Annual General Meeting on page 5 of the Annual Report. Under the Company's Articles of Association, if a director is absent for more than 50 per cent of the meetings held during the financial year, his office becomes ipso facto vacant.