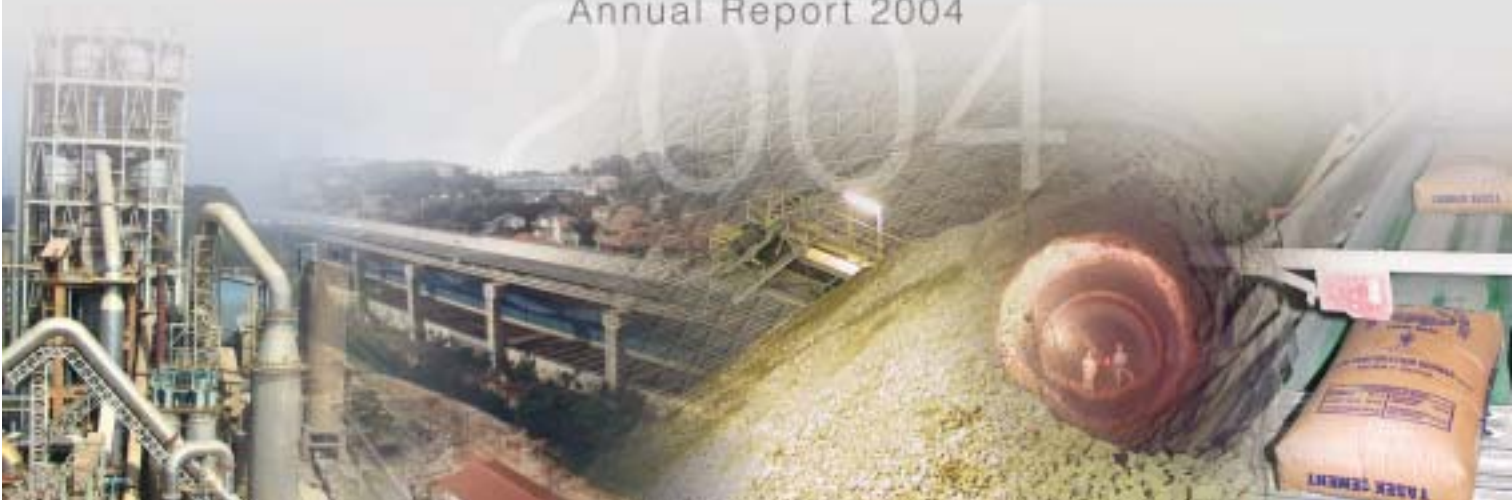




TASEK
CORPORATION BERHAD
(4698-W)

Annual Report 2004

2004



CORPORATE profile



TASEK CORPORATION BERHAD (4698-W)

Incorporated in 1962, Tasek Corporation Berhad operates one of the six integrated cement plants in Malaysia.

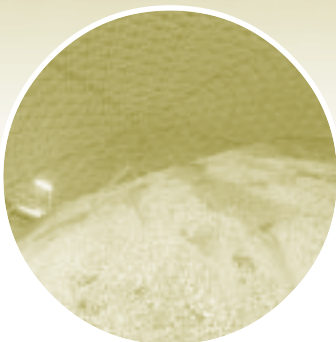
The Company's plant in Ipoh, Perak, has an annual clinker production capacity of 2.3 million tonnes.

The Company is listed on the Main Board of Bursa Malaysia Securities Berhad. As at 30 August 2004, it has a market capitalization of RM478.8 million.





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notice of 43rd annual general meeting

02

TASEK CORPORATION BERHAD
(4698-W)

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of the Company will be held at Kelab Rahman Putra Malaysia, Jalan BRP 2/1, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor Darul Ehsan on Wednesday, 20 October 2004 at 10.00 a.m. to transact the following business: -

AS ORDINARY BUSINESS:

1. To receive the Audited Accounts together with the Directors' Report and Auditors' Report for the financial year ended 30 June 2004.
(Resolution 1 - Ordinary)
2. To declare a final dividend of 10% per share less Malaysian income tax of 28% for the financial year ended 30 June 2004.
(Resolution 2 - Ordinary)
3. To approve the increase and payment of Directors' fees of RM495,000 (2003 : RM341,501).
(Resolution 3 - Ordinary)
4. To elect Mr. Ponnu Jeyasingam, a director appointed during the year who retires under Article 85 of the Articles of Association.
(Resolution 4 - Ordinary)
5. To re-elect the following Directors who retire by rotation under Article 94 of the Articles of Association: -
 - (a) Mr. Tan Saik Hock
(Resolution 5 - Ordinary)
 - (b) Dato' Loh Cheng Yean
(Resolution 6 - Ordinary)
 - (c) Raja Dato' Seri Abdul Aziz bin Raja Salim
(Resolution 7 - Ordinary)

6. To re-appoint Messrs. KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 8 - Ordinary)

7. To consider and if thought fit, to pass, the following ordinary resolutions:

(a) Authority to Directors To Issue Shares

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

(Resolution 9 - Ordinary)

(b) Proposed Renewal of Authority for the Purchase of Own Shares by the Company

“THAT subject to the Companies Act, 1965 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association and requirements of Bursa Malaysia Securities Berhad and any other relevant authority, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company’s issued and paid-up share capital subject to the following:-

1. the maximum number of shares which may be purchased and/or held by the Company shall be equivalent to ten per centum (10%) of the issued and paid-up ordinary share capital of the Company (“Ordinary Shares”);
2. the maximum fund to be allocated by the Company for the purpose of purchasing the Ordinary Shares shall not exceed the retained profits and/or the share premium account of the Company. As of 30 June 2004 the audited retained profits and share premium of the Company were RM252.4 million and RM133.6 million respectively;
3. the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will expire at the conclusion of the next Annual General Meeting (“AGM”) of the Company, (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or the expiration of the period within which the next AGM after that date is required by law to be held) in accordance with the provisions of the guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority;

4. upon completion of the purchase(s) of the Ordinary Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Ordinary Shares in the following manner:-
- (i) cancel the Ordinary Shares so purchased; or
 - (ii) retain the Ordinary Shares so purchased in treasury; or
 - (iii) retain part of the Ordinary Shares so purchased as treasury Ordinary Shares and cancel the remainder;
- the treasury Ordinary Shares may be distributed as dividends to the shareholders and/or resold and/or subsequently cancelled;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares.”

(Resolution 10 – Ordinary)

(c) Proposed Renewal of Mandate on Recurrent Related Party Transactions

“THAT the mandate granted by the shareholders of the Company on 28 October 2003 for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as set out in the Company’s Circular to Shareholders dated 28 September 2004 (“the Circular”) with any person who is a related party as described in the Circular be and is hereby approved and renewed provided that such transactions are undertaken in the ordinary course of business and at arm’s length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the public and not to the detriment of the minority shareholders of the Company; and that such approval, unless revoked or varied by the Company in general meeting, shall continue in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company or the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) whichever is the earlier.

(Resolution 11 – Ordinary)

8. To transact any other business of which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a final dividend of 10% per share in respect of the financial year ended 30 June 2004, if approved at the 43rd Annual General Meeting will be paid on 9 December 2004 to shareholders whose names appear in the Record of Depositors on 10 November 2004.

A Depositor shall qualify for entitlement to the final dividend only in respect of:

- (a) Shares transferred to the Depositor's securities account before 4.00p.m. on 10 November 2004 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

VINCENT CHOW POH JIN
GO HOOI KOON
Company Secretaries
Selangor
28 September 2004

notice of 43rd
annual general
meeting

ANNUAL REPORT 2004

05

NOTES:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- (3) The Form of Proxy must be deposited at the Registered Office of the Company at Lot 1552, Kg. Jaya Industrial Area, Off Jalan Hospital, 47000 Sungai Buloh, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
- (4) **Resolution On Authority To Directors To Issue Shares**
The Company is continuously looking into prospective areas to broaden its operating base and earnings potential. As the expansion/diversification may involve the issue of new shares, the Directors, under present circumstances, would have to call for a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued capital. In order to avoid any delay and cost involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now empowered to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
- (5) **Resolution On Proposed Renewal of Authority for the Purchase Of Own Shares by the Company**
Further information on the Proposed Renewal of Authority for the Purchase of Own Shares by the Company are set out in the Circular dated 28 September 2004 which is despatched together with the Company's 2004 Annual Report.
- (6) **Resolution on Proposed Renewal of Mandate on Recurrent Related Party Transactions**
Further information on the Proposed Renewal of Mandate on Recurrent Related Party Transactions are set out in the Circular dated 28 September 2004 which is despatched together with the Company's 2004 Annual Report.

statement accompanying
notice of 43rd
 annual general meeting

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TASEK CORPORATION BERHAD
 (4698-W)

STATEMENT ACCOMPANYING NOTICE OF 43RD ANNUAL GENERAL MEETING to be held at Kelab Rahman Putra Malaysia, Jalan BRP 2/1, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor Darul Ehsan on 20 October 2004 at 10.00 a.m.

1. Directors standing for election and re-election at the 43rd Annual General Meeting of the Company.

Under Article 85 of the Articles of Association

- a) Ponnu Jeyasingam (Appointed during the year and retiring at the 43rd Annual General Meeting)

Under Article 94 of the Articles of Association

- b) Tan Saik Hock (Retiring by Rotation)
- c) Dato' Loh Cheng Yean (Retiring by Rotation)
- d) Raja Dato' Seri Abdul Aziz bin Raja Salim (Retiring by Rotation)

Details of Directors standing for election and re-election are set out in the Profile of Directors on pages 10 to 13 of the Annual Report.

2. Details of attendance of Directors at Board Meetings.

There were four Board Meetings held during the financial year ended 30 June 2004. Attendance of Directors were as follows :-

DIRECTORS	ATTENDANCE
Datuk Dr. Hussein Awang ► Independent Non-Executive Director	4/4
Teo Tong Kooi ► Managing Director	4/4
Tan Eng Sim ► Non-Independent Non-Executive Director	4/4
Kwek Leng Peck ► Non-Independent Non-Executive Director	4/4
Tan Kah Ho ► Non-Independent Non-Executive Director	3/4
Tan Saik Hock ► Non-Independent Non-Executive Director	4/4
Dato' Loh Cheng Yean ► Independent Non-Executive Director	4/4
Dato' Shamsul Bahari bin Salleh Khir ► Independent Non-Executive Director	2/4
Raja Dato' Seri Abdul Aziz bin Raja Salim ► Independent Non-Executive Director	4/4
Wrixon Frank Gasteen ► Non-Independent Non-Executive Director	4/4
Ponnu Jeyasingam ► Non-Independent Non-Executive Director ► Appointed 7.5.2004	-
Tan Sri Quek Leng Chan ► Executive Chairman ► Resigned 10.2.2004	4/4
David Tan Sek Yin ► Non-Independent Non-Executive Director ► Resigned 7.5.2004	3/4
Lim Eng Khoon ► Non-Independent Non-Executive Director ► Resigned 7.5.2004	3/4
Kenichi Miura ► Non-Independent Non-Executive Director ► Resigned 7.5.2004	-

REGISTERED OFFICE

Lot 1552, Kg. Jaya Industrial Area
Off Jalan Hospital, 47000
Sungai Buloh, Selangor
Tel : 603-61566818
Fax : 603-61566828

DOMICILE AND LEGAL FORM

Domiciled in Malaysia as a public
limited liability company and listed
on Bursa Malaysia Securities Berhad

REGISTRAR

Hong Leong Share Registration
Services Sdn Bhd (formerly know as
Hong Leong Nominees Sdn Bhd)
Level 5, Wisma Hong Leong
18, Jalan Perak
50450 Kuala Lumpur
Tel : 603-21641818
Fax : 603-21643703

SECRETARIES

Vincent Chow Poh Jin
Go Hooi Koon

AUDITORS

KPMG

CORPORATE OFFICE & DISTRIBUTION TERMINAL

Lot 1552, Kg Jaya Industrial Area
Off Jalan Hospital, 47000
Sungai Buloh, Selangor
Tel : 603-61566818
Fax : 603-61566828
Email : info@tasek.com.my
Website : www.tasekcement.com

FACTORY

Persiaran Tasek
Tasek Industrial Estate
31400 Ipoh, Perak
Tel : 605-2911011
Fax : 605-2919932

board of directors

Datuk Dr. Hussein Awang

► Chairman

Teo Tong Kooi

► Managing Director

Tan Eng Sim

Kwek Leng Peck

Tan Kah Ho

Tan Saik Hock

Dato' Loh Cheng Yean

Dato' Shamsul Bahari bin
Salleh Khir

Raja Dato' Seri Abdul
Aziz bin Raja Salim

Wrixon Frank Gasteen

Ponnu Jeyasingam

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TASEK CORPORATION BERHAD
(4698-W)





DATUK DR. HUSSEIN AWANG

- ▶ 64 years of age – Malaysian
- ▶ Independent Non-Executive Chairman

Datuk Dr. Hussein was appointed to the Board on 15 December 1995. He is a Consultant Urologist at the Tawakal Specialist Centre, Kuala Lumpur. He is Chairman of the Remuneration Committee.

Other Directorships:

Director of Hong Leong Bank Bhd, Hong Leong Assurance Bhd and KPJ Healthcare Bhd.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

TEO TONG KOOI

- ▶ 47 years of age – Malaysian
- ▶ Managing Director

Mr. Teo was appointed to the Board as Managing Director on 2 January 2003. He graduated with a B.Sc. in Marketing Management, Masters In Business Administration and Stanford University Executive Programme from the USA. He held senior management position in Deutsche Bank (M) Bhd from 1989 to 1994 as the Head of Corporate Banking. From 1994 to 2002 he was with Hong Leong Bank Bhd where he last held the position of Chief Operating Officer. By virtue of his senior positions in the above banks, he possesses extensive experience in banking and finance comprising all aspects of commercial and corporate lending, business risk evaluation, project financing, loan syndication, loan restructuring and rehabilitation, mergers and acquisitions.

Other Directorships:

He is an Independent Non-Executive Director of Bintai Kinden Corporation Berhad and holds directorships within the Company's group.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

TAN ENG SIM

- ▶ 61 years of age – Singaporean
- ▶ Non-Independent Non-Executive Director

Mr. Tan was appointed to the Board on 23 October 1972. He was a member of the Board Audit and Risk Management Committee and resigned as a member on 5 August 2004.

Other Directorships:
Managing Director of Jurong Cement Ltd.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

KWEK LENG PECK

- ▶ 48 years of age – Singaporean
- ▶ Non-Independent Non-Executive Director

Mr. Kwek joined the Board on 4 June 1984. He holds a Diploma in Accountancy. He is a member of the Remuneration Committee.

Other Directorships:
Director of City Developments Ltd, Hong Leong Asia Ltd, Hong Leong Finance Ltd, Singapore Finance Ltd, Millennium & Copthorne Hotels plc, City e-Solutions Ltd, China Yuchai International Ltd and Hong Leong Company (Malaysia) Berhad.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

TAN KAH HO

- ▶ 58 years of age – Singaporean
- ▶ Non-Independent Non-Executive Director

Mr. Tan was appointed to the Board on 10 March 1997. He holds a B Tech in Chemical Engineering (Hons) degree and a Master of Science (Econs & Admin). He is also an associate of the Chartered Institute of Insurance and a qualified Chartered Insurer. He is a member of the Remuneration Committee.

Other Directorships:
Director of Asia Insurance (Malaysia) Bhd, Asia Life (M) Bhd and Asia General Holdings Ltd. and holds directorship within the Company's group.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

TAN SAIK HOCK

- ▶ 56 years of age – Singaporean
- ▶ Non-Independent Non-Executive Director

Mr. Tan joined the Board on 2 March 1995. He holds a B. Com degree. He was appointed a member of Board Audit and Risk Management Committee on 5 August 2004.

Other Directorships:

Managing Director of Wah Aik & Co Pte Ltd.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

DATO' LOH CHENG YEAN

- ▶ 61 years of age – Malaysian
- ▶ Independent Non-Executive Director

Dato' Loh was appointed to the Board on 24 August 1995.

Other Directorships:

Chairman of Oriental Holdings Bhd, Boon Siew Group of companies and a Director of Asia Insurance (Malaysia) Berhad. She is a member of the Board Audit and Risk Management Committee.

She does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

DATO' SHAMSUL BAHARI BIN SALLEH KHIR

- ▶ 58 years of age – Malaysian
- ▶ Independent Non-Executive Director

Dato' Shamsul was appointed a director on 8 June 1996. He holds a BA (Econs) degree and a degree of Master of Rural Development. He is a member of the Board Audit and Risk Management Committee.

Other Directorships:

Director of Ladang Perbadanan FIMA Bhd.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

RAJA DATO' SERI ABDUL AZIZ BIN RAJA SALIM

► 65 years of age – Malaysian

► Independent Non-Executive Director

Raja Dato' Seri Abdul Aziz was appointed to the Board on 17 April 2001. He is an accountant by profession and is a FCMA, FCCA, FMIT and CA (Malaysia). He is Chairman of the Board Audit and Risk Management Committee and a member of the Remuneration Committee.

Other Directorships:

Director of Camerlin Group Bhd, K&N Kenanga Holdings Bhd, K&N Kenanga Bhd, Jerneh Asia Bhd, Jerneh Insurance Bhd, PPB (Oil Palms) Bhd, Amanah Saham Mara Bhd, Gamuda Berhad, Matsushita Electric Company (M) Berhad, Gran Asia Corporation Bhd, PPB Group Bhd and Southern Steel Bhd.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

WRIXON FRANK GASTEEN

► 53 years of age – Australian

► Non-Independent Non-Executive Director

Mr Gasteen was appointed to the Board on 13 December 2001. He holds a Bachelor of Engineering (Hons) degree from the University of Queensland, Australia and a degree of Master of Business Administration (with Distinction) from the University of Geneva, Switzerland.

Other Directorships:

Director and Chief Executive Officer of Hong Leong Asia Ltd and holds other directorships within the Hong Leong Asia Ltd group.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

PONNU JEYASINGAM

► 59 years of age – Singaporean

► Non-Independent Non-Executive Director

Mr Jeyasingam was appointed to the Board on 7 May 2004. He holds an honours degree in Civil Engineering from the University of Ceylon and is a member of the Institution of Civil Engineering, England, U.K.

Other Directorships:

President Director of P.T. Karimun Granite, Indonesia and holds other directorships within the Hong Leong Asia Ltd group.

He does not have any conflict of interest with the Company or any conviction for offences within the past ten years.

financial highlights

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TASEK CORPORATION BERHAD
(4698-W)

FINANCIAL DATA	2004 RM'000	2003 RM'000	% Change
Revenue	272,684	228,689	19.2
Profit before Taxation	67,906	22,706	199.1
Net Assets	625,669	582,963	7.3
Total Assets	699,751	658,052	6.3
Capital Expenditure	8,167	3,716	119.8
Depreciation	33,366	33,028	1.0
Profit before Taxation as a percentage of Revenue	24.9%	9.9%	151.5
Net Return on capital employed	8.1%	3.1%	161.3
Earnings per share (sen)	27.6	9.9	178.8
Total Dividends Paid (incl. Preference Dividend)	9,273	9,251	0.2
Dividend Rate (excl. Preference Dividend)	7.0%	7.0%	0.0
Net Tangible Asset per share	3.40	3.18	6.9
FINANCIAL CALENDAR			
Financial Year End			30 June
Announcement of 1st Quarter Results			28 October 2003
Announcement of 2nd Quarter Results			10 February 2004
Announcement of 3rd Quarter Results			7 May 2004
Announcement of 4th Quarter Results			5 August 2004
Issue of 2004 Annual Report			28 September 2004
2004 Annual General Meeting			20 October 2004
Closing of Record of Depositors for Final Dividend			10 November 2004
Date of payment of 2004 Final Dividend			9 December 2004



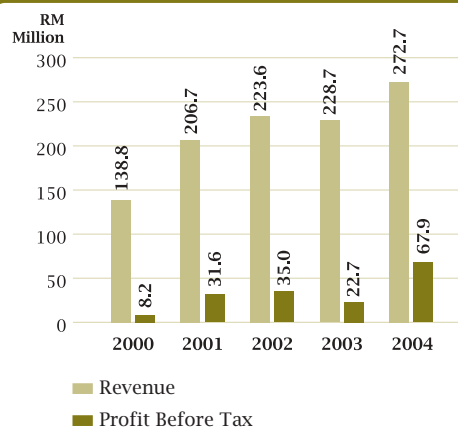
5-year financial summary

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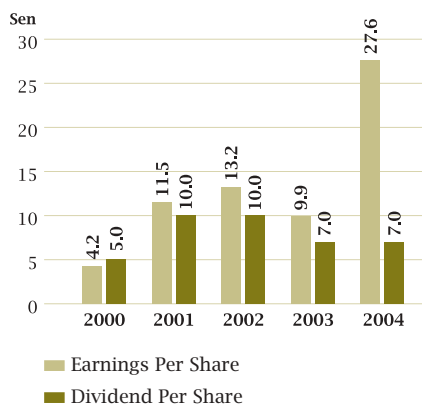
TASEK CORPORATION BERHAD
(4698-W)

	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000
Share Capital	184,162	183,525	182,988	182,980	182,980
Reserves	441,507	399,438	390,073	379,487	362,815
Shareholders' Funds	625,669	582,963	573,061	562,467	545,795
Bank Borrowings	-	1,584	10,252	24,420	37,620
Deferred Taxation	35,279	23,669	22,390	14,744	6,038
Retirement Benefits	7,190	10,543	11,214	11,264	10,706
	668,138	618,759	616,917	612,895	600,159
Fixed Assets	447,346	472,581	502,016	528,509	524,927
Associated Company	73,516	84,182	74,079	69,056	60,817
Investments	10,251	14,725	14,999	18,086	18,086
Development Expenditure	102	91	91	80	55
Current Assets	168,536	86,473	73,853	64,236	61,122
Current Liabilities	(31,613)	(39,293)	(48,121)	(67,072)	(64,848)
Net Current Assets/(Liabilities)	136,923	47,180	25,732	(2,836)	(3,726)
	668,138	618,759	616,917	612,895	600,159
Revenue	272,684	228,689	233,565	206,670	138,836
Operating Profit	45,415	10,542	27,456	22,723	1,946
Finance Cost	(140)	(1,043)	(1,883)	(361)	-
Interest Income	1,263	198	77	148	103
Gain on Disposal Of Investments	11,521	-	-	-	-
Exceptional Item	-	-	-	(1,101)	-
Share of Profits of Associated Companies	9,847	13,009	9,310	10,212	6,145
Profit before Tax	67,906	22,706	34,960	31,621	8,194
Taxation	(17,215)	(4,627)	(10,794)	(10,605)	(455)
Profit after Tax	50,691	18,079	24,166	21,016	7,739
Total Dividends	9,273	9,251	13,196	10,561	6,609

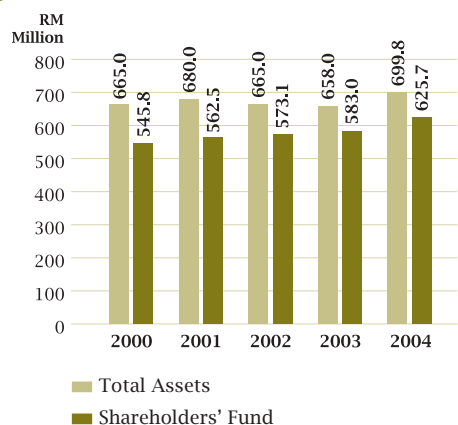
Revenue & Profit Before Tax



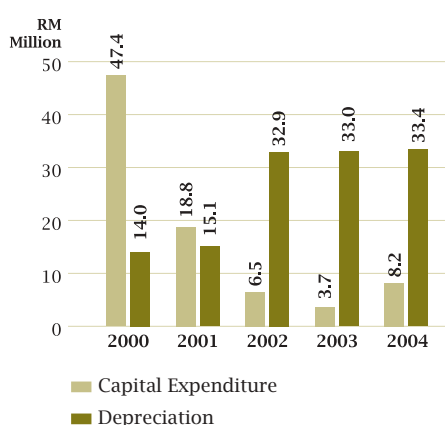
Earnings Per Share & Dividend Per Share



Total Assets & Shareholders' Fund



Capital Expenditure & Depreciation





chairman's statement

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TASEK CORPORATION BERHAD
(4698-W)

IT HAS BEEN A YEAR of changes for Tasek Corporation Berhad. I feel honoured to take over the Chair from the previous Chairman of eight years on 10 February 2004. On behalf of the Board, I would like to present the Annual Report and Audited Accounts of the Company and Group for the financial year ended 30 June 2004.

Expanding by almost 5.2% for the calendar year 2003, Malaysia's gross domestic product is forecasted by the Government to grow 6% to 6.5% for calendar year 2004 despite an anticipated slowdown in China's economic growth and impact of high oil prices. The annual growth of 5.2% was led by the manufacturing industry, which grew 12% with the construction sector growing 2.7% compared with the third quarter of 2.4% last calendar year. The cement industry is forecasting a 10% increase in cement demand in Peninsular Malaysia barring unforeseen circumstances.

However, sales of cement were affected by the slow down in the construction sector in the first half of year 2004 due primarily to constraint in the supply of steel bars. This had resulted in cement manufacturers competing to maintain market share through pricing, especially in the third quarter of the financial year. The excess capacities of cement manufacturers, which gave rise to an over supply situation continues to create an environment of rebate pricing among manufacturers to maintain their market share.

RESULTS

The increase in demand of cement in Peninsular Malaysia in calendar year 2003 and the stabilisation of the net selling prices of cement have contributed positively to the Group's results for the first half of its financial year ended 30 June 2004. During the second half of the financial year the Group's performance was however affected by the constraint of supply in steel products in the construction sector which dampened the demand of cement.



“At Company level, profit before tax increased to RM68.2 million for the financial year ended 30 June 2004 compared with RM9.6 million the last financial year.”

Nevertheless, for the financial year ended 30 June 2004, Group revenue increased 19% to RM272.7 million from RM228.7 million the last financial year. Profit before tax increased to RM67.9 million from RM22.7 million previously.

At Company level, profit before tax increased to RM68.2 million for the financial year ended 30 June 2004 compared with RM9.6 million the last financial year. The improved performance was due to the ongoing cost cutting programmes and gains from sale of investments.



DIVIDEND

The Board recommends a final dividend of 10% less income tax for the financial year ended 30 June 2004. The dividend amounting to RM13.3 million will be payable on 9 December 2004 upon shareholders' approval at the forthcoming Annual General Meeting.

ASSOCIATED COMPANIES

During the financial year, the Company disposed of its entire shareholding in Rock Chemical Industries (Malaysia) Bhd comprising 23.63% or 10,008,000 million shares for RM20.0 million. Cement Industries (Sabah) Sdn Bhd continues to perform well and contributed a profit after tax of RM5.0 million to the Group's income.

chairman's statement

EMPLOYEES AND INDUSTRIAL RELATIONS

The Tenth Collective Agreement between the Company and the Cement Industry Employees' Union expired on 30 June 2004 and negotiations are in progress to sign a new agreement. The Union has been cooperative with Management in implementation of its various cost down programmes during the financial year. The Board hopes this harmonious relationship will continue for the benefit of the Company.

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TASEK CORPORATION BERHAD
(4698-W)

During the financial year, the Company was awarded a three-year extension of its ISO 9001:2000 certification by SIRIM chalking zero NCRs (Non-conforming requests) during the assessment audit. The Company is committed to quality and excellence in its operations with Total Productive Maintenance (TPM) as its daily working culture to spearhead its Quality and Productivity Programme (QPP). This programme is ongoing and the greatest challenge the Management faces is sustainability of this positive momentum. The Company also believe in training its employees. During the financial year, 400 employees or 73% of the total workforce attended in-house training courses and 105 employees or 19% attended courses conducted externally. Productivity improved with 22.8% increase in its clinker production compared with that of the previous year of which the surplus clinker was exported.

During the financial year, various activities were organised by the Sports Club to foster closer working relationship among employees. The Company celebrated its annual dinner and family day events were organised.

PROSPECTS

The Government's recent announcement of RM8.5 billion to high priority projects in addition to the RM4.0 billion approved up to end of June augurs well for the cement industry. Such increase in expenditure would generate more business for various construction groups. The construction sector registered a marginal growth of 0.6% for the first quarter of calendar year 2004 due primarily to the absence of new infrastructure projects. The Government's move to pump more money into the economy, particularly for construction and property related projects would benefit the cement industry.

The Company and Group's prospect for the next financial year are expected to be satisfactory. Plant efficiency and performance is anticipated to improve and this will lower production costs. However, the rising cost of fuel is a major concern, as it will negate any gain resulting from efficiency and performance of the plant.

DIRECTORATE

On behalf of the Board, I wish to thank my predecessor, Tan Sri Quek Leng Chan who had contributed very significantly to the Company during his tenure of office. Our sincere appreciation goes to Directors Mr. David Tan Sek Yin, Mr. Lim Eng Khoon and Mr. Kenichi Miura who resigned from the Board during the financial year for their contribution and support. I welcome Mr. Ponnu Jeyasingam who joined the Board as non-executive director during the financial year.

ACKNOWLEDGEMENT

My sincere appreciation to our shareholders, the Board Members, Management, employees, our valued customers and business associates for their continuing support in ensuring the success of the Group.

DATUK DR. HUSSEIN AWANG
Chairman
5 August 2004



board audit and risk management committee

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THE BOARD AUDIT AND RISK MANAGEMENT COMMITTEE of Tasek Corporation Berhad comprises four members, three of whom are independent non-executive directors. The members of the Committee are as follows:

- 1) Raja Dato' Seri Abdul Aziz bin Raja Salim
 - ▶ Chairman
(Appointed as Chairman w.e.f. 10 February 2004)
 - ▶ Independent Non-Executive Director
- 2) Dato' Shamsul Bahari bin Salleh Khir
 - ▶ Independent Non-Executive Director
- 3) Tan Eng Sim
 - ▶ Non-Executive Director
- 4) Dato' Loh Cheng Yean
 - (Appointed as Member w.e.f. 7 May 2004)
 - ▶ Independent Non-Executive Director
- 5) Datuk Dr. Hussein Awang
 - (Ceased as Chairman w.e.f. 10 February 2004 and resigned as Member w.e.f. 7 May 2004)
 - ▶ Independent Non-Executive Director
- 6) Lim Eng Khoon
 - (Resigned as Member w.e.f. 7 May 2004)
 - ▶ Non-Executive Director

The Terms of Reference of the Committee are:

- I The Committee shall consist of at least three directors, a majority of whom shall be independent. The Chairman of the Committee shall be an independent non-executive director. No alternate director shall be appointed as a member of the Committee. The composition of the Committee shall fulfil the requirements of the Listing Requirements of Bursa Malaysia Securities Berhad as from time to time amended. The Committee shall meet at least four (4) times a year and any two independent directors present at a meeting shall form a quorum. The Company Secretary shall be the Secretary to the Committee.

II The duties of the Committee shall include the following:

- (a) To nominate and recommend for the approval of the Board, a person or persons as external auditor(s) and to review the audit fees 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 and audit plan.
- (c) To review the quarterly and year-end financial statements of the Company, focussing particularly on:
 - Any change in or implementation of major accounting policies and practices;
 - Significant and unusual events;
 - The going concern assumption;
 - Compliance with accounting standards and other legal requirements.
- (d) To review, with the external auditors, the audit report and audit findings, the evaluation of the system of internal controls, management letter and management's response thereto.
- (e) To review the assistance given by the employees of the Company to the external auditors.
- (f) To do the following in respect of the Company's internal audit function:
 - Review 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 report and findings of the internal audit department including any major findings of internal investigations and the management's response thereto;
 - 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/her reasons for resigning.
- (g) To review any related party transactions and conflict of interest situation that may arise within the Company or Group.
- (h) Other functions as may be agreed to by the Committee and the Board of Directors.

board audit and risk management committee

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- (i) To do the following in respect of the Company's Risk Management function:
- Oversee and monitor the implementation of the Risk Management framework and activities adopted by the Company;
 - Evaluate and recommend to the Board, risk management policies and strategies proposed by management; and
 - Review and report to the Board measures taken to identify and examine principal risks faced by the Company and to implement appropriate systems and internal controls to manage these risks.
- III The 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 independent legal or other external professional advice if it considers necessary.
- IV After each Committee meeting, the Committee shall report and update the Board of Directors on significant issues and concerns discussed during the Committee meeting and where appropriate, make the necessary recommendations to the Board.

During the financial year ended 30 June 2004, the Committee held four meetings. Details of the attendance of the meetings by Members of the Committee are as follows:

MEMBERS	TOTAL
1) Raja Dato' Seri Abdul Aziz bin Raja Salim (Appointed as Chairman w.e.f. 10 February 2004)	4/4
2) Dato' Shamsul Bahari bin Salleh Khir	3/4
3) Tan Eng Sim	4/4
4) Dato' Loh Cheng Yean (Appointed as Member w.e.f. 7 May 2004)	-
5) Datuk Dr. Hussein Awang (Ceased as Chairman w.e.f. 10 February 2004 and resigned as Member w.e.f. 7 May 2004)	4/4
6) Lim Eng Khoon (Resigned as Member w.e.f. 7 May 2004)	2/4

The Committee has carried out its duties as set out in its Terms of Reference during the financial year ended 30 June 2004. New accounting standards applicable to the financial statements and the additional disclosures required by the revamped Listing Requirements of Bursa Malaysia Securities Berhad were discussed and considered. The adequacy of the Company's existing risk management systems, internal controls and compliance with The Malaysian Code on Corporate Governance were discussed. The Committee also met with the Company's external auditors without the presence of executive management.

The Internal Audit Department reports to the 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 Committee's 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 2004.

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 executive 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 11 member Board comprises an independent non-executive chairman, a managing director, six non-executive directors and three other independent non-executive directors. The concept of independence adopted by the Board is in line with Bursa Malaysia Securities Berhad 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 Bursa Malaysia Securities Berhad requirement that at least one-third of its members are made up of independent non-executive directors.

There is clear division of responsibilities between the Chairman and the Managing Director. The Chairman heads the Board and leads the planning discussion at Board level, while the Managing Director takes on the primary responsibility of executive management granted by the Board and the day-to-day operations of the Company.

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 10 to 13 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 attended the Mandatory Accreditation Programme (MAP). Every calendar year, each Director is required to undergo the Continuing Education Programme (CEP) by attending courses prescribed and accredited by Bursa Malaysia Securities Berhad. Each Director is required to accumulate at least 48 CEP points every calendar year.

statement on corporate governance

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 2004, four meetings were held where the Board deliberated upon and considered a variety of

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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 6 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.

The Board is supplied with information for each meeting in a timely manner for it to discharge its duties. Together with the agenda and notice of meeting, the board papers are issued to the Directors prior to and in advance of each meeting.

All Directors have access to the advice and services of the Company Secretary, and if need be, Directors can obtain independent professional or other advice from external resources at the cost of the Company.

BOARD COMMITTEES

The Board has two committees to assist in its functions. The committees, namely, the Board Audit and Risk Management Committee and the Remuneration Committee have the authority to consider and approve particular issues according to their respective terms of reference and report back to the Board with their decisions and/or recommendations. However, the ultimate responsibility for the final decision on all matters rests with the Board.

DIRECTORS' REMUNERATION

The Remuneration Committee, consisting of the Chairman, two non-executive directors and an independent non-executive director, was formed by the Board to evaluate and recommend to the Board the remuneration of the Managing Director. The Managing Director's remuneration is structured to link to the Company and individual performance. Determination of remuneration of non-executive directors is a matter for the Board as a whole with the director concerned abstaining from deliberations and voting in respect of his own remuneration.

The aggregate remuneration of directors for the financial year is disclosed on page 70 of the financial statements in the Annual Report.

SHAREHOLDERS

The Board acknowledges the need for shareholders and investors to be informed of all material business matters of the Company. Various announcements and timely release of quarterly financial results keep shareholders and investors informed of the performance and operations of the Company.

The Company's Annual General Meeting is an open forum for the Directors and shareholders to communicate with each other. It presents an opportunity for shareholders to ask questions on the performance of the Company. The Notice of Meeting is circulated to all shareholders at least 21 clear days before the Meeting and shareholders are encouraged to attend the meeting.

To provide shareholders and investors with up-to-date information about the Company and the latest announcements, the public could access the Company's website through the Internet at www.tasekcement.com.

Given the current composition of the Board of Directors, the Board does not consider it necessary to nominate a recognised senior independent non-executive director for purposes of compliance with best practices in the Malaysian Code on Corporate Governance.

ACCOUNTABILITY AND AUDIT

Responsibility statement by Directors on the preparation of the financial statements

The Directors are required by company law to prepare financial statements for each accounting period which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company for the period then ended.

In preparing the financial statements, the Directors have:

- adopted and consistently applied suitable accounting policies;
- made judgements and estimates that are prudent and reasonable;
- followed applicable accounting standards, subject to any material departures disclosed and explained in the notes to the financial statements; and
- prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RELATIONSHIP WITH THE AUDITORS

A summary of the activities of the Audit Committee during the year are set out in the Board Audit and Risk Management Committee's Report on pages 22 to 24 of the Annual Report.

Key features underlying the relationship of the Board Audit and Risk Management Committee with the Company's external auditors are included in the Committee's terms of reference on pages 22 to 24 of the Annual Report.

STATEMENT ON INTERNAL CONTROL

The Statement on Internal Control, set out on pages 28 to 29 of the Annual Report, provides an overview of the Company's state of internal control.

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries involving directors' and major shareholders' interests.

statement on internal control

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TASEK CORPORATION BERHAD
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INTRODUCTION

Under the Listing Requirements of Bursa Malaysia Securities Berhad ('BS'), the Board of Directors of public listed companies is required to include in its annual reports a statement on the state of internal control. The Board is committed to maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. Set out below is the Board's Statement on Internal Control, which provides an overview of the Company's state of internal control.

BOARD RESPONSIBILITY

The Board has ultimate responsibility for the system of internal control. Overall, the Board has established a risk management framework with the objective of setting clear guidelines in relation to the levels of risk acceptable to the Company. The system of internal control is designed to meet the Company's particular needs and the risks to which it is exposed. It should be appreciated that, however effective a system is, it can only provide reasonable and not absolute assurance against material misstatement or loss. It should be further noted that such system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives.

The Company has in place an on-going process for identifying, evaluating and managing the significant risks affecting the achievement of its business objectives for the year and up to the date of approval of the annual report and financial statements. This process is on-going and reviewed by the Board on a quarterly basis and accords with the BS's Statement on Internal Control: Guidance for Directors of Public Listed Companies ('Guidance'). Furthermore, the Board has extended the risk management process to its significant associated company during the year.

RISK MANAGEMENT FRAMEWORK

The Board has established an organisation structure with clearly defined lines of accountability and delegated authority. The risk management functions and effectiveness of such controls were formalised in May 2002. During the financial year, with the assistance of the internal audit department, the Company undertook review of its existing risk management processes and key components of its internal controls that were in place within the various operating business units.

The Company took the following initiatives:

- Risk awareness seminars had been held to bring greater awareness on risk management amongst the various level of management in the Company.
- Risk Management Policy was issued in August 2002, which outlines the risk management framework for the Company and offers practical guidance to all employees on risk management issues.
- A database of all risks and controls had been formed, and the information filtered to produce detailed risk registers for the major business units, which have been categorised into strategic, operations, financial and knowledge risks.
- Key risks to each business unit's objectives aligned with the Company's strategic objectives, had been identified and assessed for likelihood of the risks occurring and the magnitude of impact using a self-assessment approach.
- Management's risk assessments had been moderated and reconfirmed; with the corresponding action plans for the significant risks prepared by the key members of management to address those risks.

- A risk profile of the Company had been developed, which together with a summary of the key findings and corresponding action plans were presented and discussed in the Board Audit & Risk Management Committee before being submitted to the Board for consideration.
- Quarterly risk management reports were updated and submitted to the Management Committee before being tabled to the Board Audit & Risk Management Committee and ultimately the Board for consideration.
- The processes adopted to monitor and review the adequacy and integrity of the system of internal control are continuously reviewed and improved upon by the Board Audit & Risk Management Committee.

INTERNAL AUDIT FUNCTION

The Company has its own internal audit function, which provides reports to the Board Audit & Risk Management Committee on a quarterly basis and provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. The Board Audit & Risk Management Committee reviews and approves the internal audit plan on an annual basis. The Internal Audit Department independently reviews the internal controls in the key activities of the Company's businesses implemented by the management.

OTHER RISKS AND CONTROL PROCESSES

Apart from risk management and internal audit, the other key elements of the Group's internal control systems are as follows:

- An organisational structure with clearly defined delegation of responsibilities to committees of the Board and to management that promotes accountability for appropriate risk management and control procedures. The procedures include the establishment of limits of authority for all aspects of the business which is subject to periodic review throughout the year as to their implementation and for their continuing suitability;
- Regular internal audit visits to monitor compliance with procedures and assess the integrity of financial information provided;

- Regular and comprehensive information provided to management, covering financial performance and key business indicators, such as sales and production volumes, staff turnover and cash flow performance;
- Regular internal quality inspection to monitor compliance with ISO requirements;
- A detailed budgeting process where operating units prepare budgets for the coming year which are approved both at operating unit level and by the Board;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken (where necessary); and
- Regular visits to operating units by the Managing Director and key members of management.

WEAKNESSES IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

During the year, no weaknesses in internal control that have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report were noted. Management continues to review and take measures to strengthen the control environment.

analysis of shareholdings as at 30 August 2004

Share Capital

Authorised Share Capital : RM300,000,000 comprising 299,500,000 Ordinary Shares of RM1.00 each and 500,000 6% Cumulative Participating Preference Shares of RM1.00 each

Issued and Paid-up Capital : RM184,167,800 comprising 183,667,800 Ordinary Shares of RM1.00 each and 500,000 6% Cumulative Participating Preference Shares of RM1.00 each

Class of Shares: 183,667,800 Ordinary Shares of RM1.00 each and 500,000 6% Cumulative Participating Preference Shares of RM1.00 each

Voting rights : 1 vote for every Ordinary Share
1 vote for every 6% Cumulative Participating Preference Shares

6% Cumulative Participating Preference Shares of RM1.00 each

Distribution of Shareholdings

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	2	5.13	156	0.03
100 - 1,000	9	23.08	3,575	0.71
1,001 - 10,000	15	38.46	41,178	8.24
10,001 - less than 5% of issued shares	2	5.13	38,000	7.60
5% and above of issued shares	11	28.20	417,091	83.42
	39	100.00	500,000	100.00

30 largest 6% cumulative participating preference shareholders as at 30 August 2004

Name of Shareholders	No. of Shares	%
1. Aik Hoe And Company (Private) Limited	80,377	16.07
2. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Tan Eng Chin Holdings (Pte) Limited	50,000	10.00
3. Mayban Securities Nominees (Asing) Sdn Bhd - Pledged Securities Account for Tan Eng Seng	44,472	8.89
4. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Tan Eng Heng	44,223	8.84
5. Mayban Securities Nominees (Asing) Sdn Bhd - UOB-Kay Hian Pte Ltd for Chua Geok Choo	35,000	7.00
6. Yeoh Ghim Cheow Holding Sdn Bhd	30,000	6.00
7. Tan Eng Han	27,059	5.41
8. Tan Seck Yeow	26,936	5.39
9. Goh Geok Eng @ Tan Geok Eng	26,442	5.29
10. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Eng Soon	26,332	5.27
11. Aik Hoe Investment Pte Ltd	26,250	5.25
12. Ewe Poh Kim	20,000	4.00
13. Hong Leong Asia Ltd.	18,000	3.60
14. Singapore Cement Industrial Company (Private) Limited	10,000	2.00
15. Tan Seck Chuan	3,200	0.64
16. Tan Seck Kang	3,200	0.64
17. Tan Sek Thong	3,200	0.64
18. Tan Siak Hai	3,200	0.64
19. Tan Seck Kar	2,560	0.51
20. Tan Sek Loon	2,560	0.51
21. Teo Poh Tin	2,500	0.50
22. Mayban Securities Nominees (Asing) Sdn Bhd - UOB-Kay Hian Pte Ltd for Wah Aik & Company Pte Ltd	2,358	0.47

30 largest 6% cumulative participating preference shareholders as at 30 August 2004
(continued)

Name of Shareholders	No. of Shares	%
23. Lim Keng Chong	2,000	0.40
24. Peh Choon Leong	1,280	0.26
25. Tan Bee Choo	1,280	0.26
26. Tan Lay Hoon	1,280	0.26
27. Tan Lay Luan	1,280	0.26
28. Tan Poh Choo	1,280	0.26
29. Tan Eng Sim Investment Holdings Pte Ltd	665	0.13
30. Menteri Kewangan Malaysia - Section 29 (SICDA)	593	0.12
	497,527	99.51

analysis of
shareholdings

Ordinary Shares of RM1.00 Each

Distribution of Shareholdings

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	109	4.47	3,349	0.00
100 - 1,000	754	30.91	621,660	0.34
1,001 - 10,000	1,134	46.49	4,451,268	2.42
10,001 - 100,000	332	13.61	9,563,193	5.21
100,001 - less than 5% of issued shares	105	4.31	77,337,823	42.11
5% and above of issued shares	5	0.21	91,690,507	49.92
	2,439	100.00	183,667,800	100.00

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30 largest ordinary shareholders as at 30 August 2004

Name of Shareholders	No. of Shares	%
1. CIMB Nominees (Tempatan) Sdn Bhd - Hayford Holdings Sdn Bhd	29,543,814	16.09
2. Hong Leong Asia Ltd.	17,213,525	9.37
3. Aik Hoe And Company (Private) Limited	17,173,168	9.35
4. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	15,816,000	8.61
5. Lembaga Tabung Haji	11,944,000	6.50
6. Malaysia Nominees (Tempatan) Sendirian Berhad - Boon Siew Sdn Berhad	6,975,653	3.80
7. Lydale Pte Ltd	6,496,561	3.54
8. Asia General Holdings Limited	5,657,905	3.08
9. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Asia General Hldgs Ltd	5,518,977	3.00
10. HDM Nominees (Asing) Sdn Bhd - DBS Vickers Secs (S) Pte Ltd for The Asia Insurance Company Limited - Offshore Fund	5,267,377	2.87
11. Asia Life (M) Berhad - As Beneficial Owner (PF)	4,214,031	2.29
12. Assets Nominees (Tempatan) Sdn Bhd - Hume Industries (Malaysia) Berhad	3,060,000	1.67
13. Aik Hoe Investment Pte Ltd	2,946,492	1.60
14. HDM Nominees (Asing) Sdn Bhd - Lim & Tan Securities Pte Ltd for Jurong Cement Limited	1,718,000	0.94
15. Chinchoo Investment Sdn. Berhad	1,527,000	0.83
16. Tan Eng Sim Investment Holdings Pte Ltd	1,434,311	0.78
17. RHB Nominees (Asing) Sdn Bhd - GK Goh SPL for The Asia Life Assurance Society Ltd - S'pore Life Fund	1,352,000	0.74

30 largest ordinary shareholders as at 30 August 2004 (continued)

Name of Shareholders	No. of Shares	%
18. Dato' Shamsul Bahari Bin Salleh Khir	1,113,333	0.61
19. Chon Moi	1,100,940	0.60
20. Asia Insurance (Malaysia) Berhad	1,062,000	0.58
21. Hong Leong Fund Management Sdn Bhd - Hong Leong Assurance Bhd (Life)	1,000,000	0.54
22. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Tan Eng Chin Holdings (Pte) Limited	909,332	0.49
23. Key Development Sdn. Berhad	856,900	0.47
24. Tan Shik Koon	821,852	0.45
25. RHB Nominees (Tempatan) Sdn Bhd - RHB Asset Management Sdn Bhd for Pertubuhan Kebangsaan Melayu Bersatu atau UMNO	817,912	0.45
26. Thong & Kay Hian Nominees (Asing) Sdn. Bhd - UOB Kay Hian Pte Ltd for Unimarco Investments (Pte) Ltd	815,000	0.44
27. HDM Nominees (Asing) Sdn Bhd - UOB Kay Hian Pte Ltd for Tan Siak Hoon @ Tan Saik Hoon	807,055	0.44
28. Jurong Cement Limited	770,017	0.42
29. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Eng Soon Holdings Sdn. Bhd.	744,012	0.40
30. Amsec Nominees (Asing) Sdn Bhd - G K Goh Stockbrokers Pte Ltd for Tan Saik Huat	730,956	0.40
	149,408,123	81.35

analysis of
shareholdings

Substantial Shareholders

According to the Register of Substantial Shareholders as at 30 August 2004:

Name of Substantial Shareholders	No. of Shares	%
1. Lembaga Tabung Haji	11,944,000	6.49
2. Amanah Raya Berhad	15,816,000	8.59
3. Aik Hoe & Co. Pte. Ltd.	20,000,037 ¹	10.86
4. Asia General Holdings Pte. Ltd.	24,192,290 ²	13.14
5. Hayford Holdings Sdn Bhd	29,543,814	16.04
6. Hong Leong Asia Ltd.	53,729,500 ³	29.17
7. Hong Leong Corporation Holdings Pte Ltd	53,729,500 ⁴	29.17
8. Hong Leong Enterprises Pte. Ltd.	53,729,500 ⁴	29.17
9. Davos Investment Holdings Private Limited	58,834,500 ⁵	31.95
10. Kwek Leng Kee	58,834,500 ⁵	31.95
11. Quek Leng Chye	58,834,500 ⁵	31.95
12. Hong Leong Investment Holdings Pte. Ltd.	58,834,500 ⁵	31.95
13. Kwek Holdings Pte. Ltd.	58,834,500 ⁵	31.95
14. Kwek Leng Beng	59,082,900 ⁶	32.08
15. Tan Sri Quek Leng Chan	59,182,252 ⁶	32.13

Notes:

- 1 Direct and deemed interest through A.H. Securities Pte Ltd and Aik Hoe Investment Pte Ltd.
- 2 Direct and deemed interest through The Asia Insurance Co. Ltd. (K.L.), The Asia Insurance Co. Ltd. (Singapore), The Asia Life Assurance Society Ltd., Asia Properties Management Pte. Ltd., Asia Union Securities Pte. Ltd., Asia Union Sdn Bhd, Asia Life (M) Berhad and Asia Insurance (Malaysia) Bhd
- 3 Direct and deemed interest through Hayford Holdings Sdn Bhd, Island Concrete (Private) Limited, Kian Chiang Granite Quarry Company (Pte.) Limited, Thong & Kay Hian Nominees (Asing) Sdn Bhd and Lydale Pte. Ltd.
- 4 Deemed interest through Hong Leong Asia Ltd., Hayford Holdings Sdn Bhd, Island Concrete (Private) Limited and Kian Chiang Granite Quarry Company (Pte.) Limited, Thong & Kay Hian Nominees (Asing) Sdn Bhd and Lydale Pte. Ltd.
- 5 Deemed interest through Hong Leong Asia Ltd., Hayford Holdings Sdn Bhd, Island Concrete (Private) Limited, Kian Chiang Granite Quarry Company (Pte.) Limited, Hong Leong Company (Malaysia) Berhad, Thong & Kay Hian Nominees (Asing) Sdn Bhd, Lydale Pte. Ltd. and Assets Nominees (Tempatan) Sdn Bhd
- 6 Direct and deemed interest through Hong Leong Asia Ltd., Hayford Holdings Sdn Bhd, Island Concrete (Private) Limited, Kian Chiang Granite Quarry Company (Pte.) Limited, Hong Leong Company (Malaysia) Berhad, Thong & Kay Hian Nominees (Asing) Sdn Bhd, Lydale Pte. Ltd. and Assets Nominees (Tempatan) Sdn Bhd



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directors' report and statement

for the year ended 30 June 2004

The Directors have pleasure in submitting their report, statement and the audited financial statements of the Group and of the Company for the year ended 30 June 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the manufacture and sale of cement and related products. There have been no significant changes in the nature of these activities during the year.

The principal activities of the subsidiaries are disclosed in Note 3.

RESULTS

	Group RM'000	Company RM'000
Net profit for the year	50,691	55,988

DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year are as follows:-

	RM'000
In respect of the year ended 30 June 2003 as proposed in the directors' report for that year:-	
Preference dividend of 6 sen less tax at 28%	22
Final dividend of 7 sen less tax at 28% on Cumulative Participating Preference Shares	25
Final dividend of 7 sen less tax at 28% on Ordinary Shares	9,226

The Directors have recommended the payment of a final dividend of 10 sen less tax at 28% on the cumulative participating preference shares and on ordinary shares and a further 6 sen less tax at 28% on the preference shares as follows:-

	RM'000
Preference dividend of 6 sen less tax at 28%	22
Final dividend of 10 sen less tax at 28% on Cumulative Participating Preference Shares	36
Final dividend of 10 sen less tax at 28% on Ordinary Shares	13,224

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the year are shown in the notes to the financial statements.

directors' report and statement

for the year ended 30 June 2004

DIRECTORS

Directors who served since the date of the last report are:-

Datuk Dr. Hussein Awang
 Teo Tong Kooi
 Tan Eng Sim
 Kwek Leng Peck
 Tan Kah Ho
 Tan Saik Hock
 Dato' Loh Cheng Yean
 Dato' Shamsul Bahari bin Salleh Khir
 Raja Dato' Seri Abdul Aziz bin Raja Salim
 Wrixon Frank Gasteen
 Ponnu Jeyasingam (Appointed w.e.f. 7.5.2004)
 Kenichi Miura (Resigned as alternate to Kwek Leng Peck w.e.f. 11.2.2004, Appointed w.e.f 12.2.2004, Resigned w.e.f. 7.5.2004)
 David Tan Sek Yin (Resigned w.e.f. 7.5.2004)
 Lim Eng Khoon (Resigned w.e.f. 7.5.2004)
 Tan Sri Quek Leng Chan (Resigned w.e.f. 10.2.2004)

The particulars of the Directors' shareholdings in the Company as shown in the Register of Directors' Shareholdings are as follows:-

	Number of ordinary shares of RM1 each			At 30.6.2004
	At 1.7.2003	Acquired	Disposed	
Tan Eng Sim	16,000	-	-	16,000
Tan Saik Hock	785,317	-	-	785,317
Dato' Shamsul Bahari bin Salleh Khir	1,113,333	-	-	1,113,333

Shareholdings in the Company in which the Directors are deemed to have an interest are as follows:-

	Number of ordinary shares of RM1 each			At 30.6.2004
	At 1.7.2003	Acquired	Disposed	
Tan Eng Sim	1,434,311	-	-	1,434,311

Other than as disclosed above, none of the other directors who held office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year.

In accordance with the Articles of Association, Tan Saik Hock, Dato' Loh Cheng Yean and Raja Dato' Seri Abdul Aziz bin Raja Salim retire by rotation from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with the Articles of Association, Ponnu Jeyasingam who was appointed during the year, retires from the Board at the Annual General Meeting and being eligible, offers himself for election.

directors' report and statement

for the year ended 30 June 2004

DIRECTORS (continued)

No Director of the Company has since the end of the previous financial year received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for Tan Eng Sim, Dato' Loh Cheng Yean and Tan Kah Ho, who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the acquisitions and/or disposal of stocks-in-trade and products; and/or the provision of services including but not limited to transportation and rental; and/or the provision of distributorship agreements and the conduct of normal trading, insurance and/or other businesses between the Company and its related corporations or companies in which Tan Eng Sim, Dato' Loh Cheng Yean and Tan Kah Ho are deemed to have interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in the Company or any other body corporate, apart from the issue of ESOS.

ISSUE OF SHARES

During the financial year, the Company issued 637,200 ordinary shares of RM1.00 each arising from the subscription of 605,600 and 31,600 ordinary shares of RM1.00 each under the Executive Share Option Scheme ("ESOS") at the option price of RM2.00 per share and RM2.42 per share respectively.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year.

At an Extraordinary General Meeting held on 9 February 2001, the Company's shareholders approved the establishment of an ESOS of not more than 10% of the issued and paid-up ordinary share capital of the Company or 18,248,000 new ordinary shares to eligible Directors and executives of the Group.

The option offered to take up unissued ordinary shares of RM1 each and the option price are as follows:-

Date of offer	Option Price RM	Number of options over ordinary shares of RM1 each				Balance at 30.6.2004
		Balance at 1.7.2003	Granted	Lapsed	Exercised	
8.3.2001	2.00	1,271,400	-	(247,000)	(605,600)	418,800
15.5.2002	2.42	205,000	-	(33,800)	(31,600)	139,600

There were no new options granted during the financial year.

At an Extraordinary General Meeting held on 25 February 2003, the existing option holders and shareholders approved the extension of the duration of the scheme for another 5 years from 8 March 2006 to 7 March 2011. The Bye-Laws were also amended to include the offer of prime value or performance-based options ("PVO") to eligible executives, apart from the existing share options.

directors' report and statement

for the year ended 30 June 2004

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

The salient features of the scheme are as follows:-

- (a) the maximum aggregate number of shares to be offered under the ESOS shall not exceed 10% of the issued and paid-up ordinary share capital of the Company;
- (b) to be eligible for participation in the scheme, a person must satisfy the following conditions:-
 - (i) be of at least eighteen years of age; and
 - (ii) be an executive of the Group.
- (c) the Board may from time to time at its discretion select and identify Eligible Executives to be offered options;
- (d) an Executive Director of the Company shall only be eligible to participate in the scheme if he is involved in the day to day management and on the payroll of the Company or an Eligible Subsidiary;
- (e) an option holder may, in any particular year, exercise up to such maximum number of shares in the option certificate as determined by the Board or as specified in the option certificate;
- (f) the Board may at its discretion determine the share option price and the PVO price at any price provided that the share option price and the PVO price so fixed shall not be at a discount of more than ten percent (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares preceding the date of offer and shall in no event be less than the par value of the shares;
- (g) an option holder may exercise his option only during his employment with the Group and within the option period subject to any maximum limit as determined by the Board under Bye-Law 9.3 and any other terms and conditions as may be contained in the option certificates;
- (h) an option holder may exercise his option or the balance thereof, in full or such lesser number of shares as the option holder may decide to exercise provided that such lesser number shall be in multiples of and not less than a Board Lot;
- (i) a share option cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever, save as provided in Bye-Law 17.5 and an offer for a PVO cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever, unless with the prior consent of the Board or as provided in Bye-Law 17.5;
- (j) the Board may at its discretion offer share options and PVOs to eligible executives and shall also have the discretion to determine the number of shares and the terms and conditions to be comprised in an offer, subject to any adjustment which may be made under Bye-Laws 5.4, 5.5 and 13; and
- (k) in the event the Board decides to satisfy the exercise of options by the transfer of existing shares to option holders:
 - (i) the Board may appoint a trustee or trust company upon such terms and conditions as the Board may deem fit to enable the trustee to acquire existing shares for the purpose of the scheme;
 - (ii) the Company and any subsidiary may provide money or other permissible assistance under the Act to enable the trustee or trust company to acquire existing shares to be held for the purposes of the scheme; and
 - (iii) the Company must fully comply with the provisions of the Act and the Listing Requirements of Bursa Malaysia Securities Berhad relating thereto.

directors' report and statement

for the year ended 30 June 2004

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

Where an executive has participated in an employee share option scheme in a corporation related to the Company as defined by the Companies Act, 1965 (other than a subsidiary), the number of shares in any option that can be offered under this scheme to that executive shall be reduced by the number of shares in the option exercised by that executive under the previous scheme, provided always that no offer shall be made to that executive until and unless that executive produced evidence satisfactory to the Board to show that he has no further rights under the previous scheme.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings.

USE OF INFORMATION TECHNOLOGY

All departments within the Company's factory are connected to a local area network, thereby having access to several computing resources. Certain parts of the manufacturing process, such as Kiln control and quality control systems in the plant, are computerised.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-
- (i) to ascertain the action taken in relation to the making of provision for doubtful debts and have satisfied themselves that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render the amounts written off or provided for bad and doubtful debts in the Group and in the Company inadequate to any material extent or the values attributed to current assets misleading.

At the date of this report, no circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No charges have arisen since the end of the financial year on the assets of the Group and of the Company which secure the liability of any other person nor have any contingent liabilities arisen in the Group and in the Company since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in their report or the financial statements which would render any amount stated in the financial statements misleading.

directors' report and statement

for the year ended 30 June 2004

OTHER STATUTORY INFORMATION (continued)

In the opinion of the Directors:-

- (i) except for the gain on disposal of investments as disclosed in Note 21 to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 30 June 2004 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report, and
- (ii) the financial statements set out on pages 42 to 73, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 June 2004 and of the results of their operations and cash flows for the year ended on that date.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Board of Directors:

DATUK DR. HUSSEIN AWANG
CHAIRMAN

TEO TONG KOOI
MANAGING DIRECTOR

Date: 5 August 2004

statutory declaration

pursuant to section 169(16) of the companies act, 1965

I, LOO WAI WING, the officer primarily responsible for the financial management of Tasek Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 42 to 73 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
)
abovenamed LOO WAI WING at)
)
Ipoh in the State of Perak Darul Ridzuan)
)
on 5 August 2004)
)

BEFORE ME:

DATO' SYED AZMAN SYED MOHAMED
Commissioner for Oaths
Ipoh, Perak Darul Ridzuan

report of the auditors

to the members

We have audited the financial statements set out on pages 42 to 73. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company at 30 June 2004 and the results of their operations and cash flows for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 3 to the financial statements and we have considered their financial statements thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment under sub-section (3) of Section 174 of the Act.

KPMG

Firm Number: AF-0758

Chartered Accountant

PETER HO KOK WAI

Partner

Approval Number: 1745/12/05 (J)

IPOH

Date: 5 August 2004

balance sheets

as at 30 June 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
PROPERTY, PLANT AND EQUIPMENT	2	447,346	472,581	433,299	458,558
SUBSIDIARY COMPANIES	3	-	-	16,600	16,600
ASSOCIATED COMPANIES	4	73,516	84,182	20,392	26,117
INVESTMENTS	5	10,251	14,725	7,848	12,322
DEVELOPMENT EXPENDITURE	6	102	91	-	-
CURRENT ASSETS					
Inventories	7	45,450	33,934	45,421	33,897
Trade receivables	8	29,242	29,508	29,242	29,508
Other receivables, deposits and prepayments		2,195	1,896	2,184	1,602
Tax recoverable		2,725	3,250	2,716	3,240
Amounts due from subsidiary companies	9	-	-	8,464	8,363
Amounts due from associated companies	10	5	7	5	7
Short term deposits with licensed banks and financial institutions	11	79,970	5,810	79,470	5,810
Cash and bank balances		8,949	12,068	8,868	11,981
		168,536	86,473	176,370	94,408
Less:					
CURRENT LIABILITIES					
Trade payables		10,996	10,608	10,996	10,608
Other payables and accruals	12	20,617	20,017	19,763	19,655
Bank borrowings (unsecured)	13	-	8,668	-	8,668
		31,613	39,293	30,759	38,931
NET CURRENT ASSETS		136,923	47,180	145,611	55,477
		668,138	618,759	623,750	569,074
Financed by:					
SHARE CAPITAL	14	184,162	183,525	184,162	183,525
RESERVES	15	441,507	399,438	397,148	349,782
SHAREHOLDERS' FUNDS		625,669	582,963	581,310	533,307
BANK BORROWINGS (UNSECURED)	13	-	1,584	-	1,584
RETIREMENT BENEFITS	16	7,190	10,543	7,190	10,543
DEFERRED TAXATION	17	35,279	23,669	35,250	23,640
		668,138	618,759	623,750	569,074

The financial statements were approved and authorised for issue by the Board of Directors on 5 August 2004.

The notes set out on pages 46 to 73 form an integral part of,
and should be read in conjunction with, these financial statements.

income statements

for the year ended 30 June 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
REVENUE	18	272,684	228,689	272,684	228,689
Cost of sales		(174,982)	(168,457)	(174,982)	(168,457)
GROSS PROFIT		97,702	60,232	97,702	60,232
Selling and distribution costs		(47,424)	(42,782)	(47,424)	(42,782)
Administrative expenses		(10,846)	(12,745)	(10,784)	(12,399)
Other operating income		5,983	5,837	6,230	5,349
OPERATING PROFIT	19	45,415	10,542	45,724	10,400
Finance costs	20	(140)	(1,043)	(140)	(1,043)
Interest income		1,263	198	1,263	198
Gain on disposal of investments	21	11,521	-	21,381	-
Share of profit of associated companies		9,847	13,009	-	-
PROFIT BEFORE TAXATION		67,906	22,706	68,228	9,555
Tax expense	22	(17,215)	(4,627)	(12,240)	(1,671)
NET PROFIT FOR THE YEAR		50,691	18,079	55,988	7,884
EARNINGS PER SHARE (sen)					
Basic	24	27.59	9.85	30.47	4.29
Diluted	24	27.57	9.85	30.45	4.29
GROSS DIVIDEND PER SHARE (sen)					
6% Cumulative Participating Preference Share	25	16.0	13.0	16.0	13.0
Ordinary Share	25	10.0	7.0	10.0	7.0

The notes set out on pages 46 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

statements of changes in equity

for the year ended 30 June 2004

	Note	Share capital RM'000	<- Non-distributable -> Share premium RM'000	Revaluation reserve RM'000	<- Distributable -> General reserve RM'000	Retained profits RM'000	Total RM'000
GROUP							
At 1 July 2002		182,988	132,412	11,199	115,347	131,115	573,061
Issue of shares:							
Exercise of options	14	537	537	-	-	-	1,074
Net profit for the year		-	-	-	-	18,079	18,079
Dividends							
- 2002 final	25	-	-	-	-	(9,251)	(9,251)
At 1 July 2003		183,525	132,949	11,199	115,347	139,943	582,963
Issue of shares:							
Exercise of options	14	637	651	-	-	-	1,288
Net profit for the year		-	-	-	-	50,691	50,691
Dividends							
- 2003 final	25	-	-	-	-	(9,273)	(9,273)
At 30 June 2004		184,162	133,600	11,199	115,347	181,361	625,669
							Note 14
COMPANY							
At 1 July 2002		182,988	132,412	11,199	115,347	91,654	533,600
Issue of shares:							
Exercise of options	14	537	537	-	-	-	1,074
Net profit for the year		-	-	-	-	7,884	7,884
Dividends							
- 2002 final	25	-	-	-	-	(9,251)	(9,251)
At 1 July 2003		183,525	132,949	11,199	115,347	90,287	533,307
Issue of shares:							
Exercise of options	14	637	651	-	-	-	1,288
Net profit for the year		-	-	-	-	55,988	55,988
Dividends							
- 2003 final	25	-	-	-	-	(9,273)	(9,273)
At 30 June 2004		184,162	133,600	11,199	115,347	137,002	581,310
							Note 14

The notes set out on pages 46 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

cash flow statements

for the year ended 30 June 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash flows from operating activities					
Cash inflow from operations	26	65,644	38,984	65,047	38,847
Interest paid		(140)	(1,043)	(140)	(1,043)
Interest received		1,263	198	1,263	198
Taxation paid		(46)	(119)	-	(34)
Retirement benefits paid	16	(4,277)	(2,187)	(4,277)	(2,187)
		(3,200)	(3,151)	(3,154)	(3,066)
<i>Net cash inflow from operating activities</i>		62,444	35,833	61,893	35,781
Cash flows from investing activities					
Dividend received		3,263	4,188	3,256	4,181
Net rental income/(expenses)		14	(2)	14	(2)
Purchase of property, plant and equipment		(8,167)	(3,716)	(8,103)	(3,692)
Proceeds from disposal of investment properties		-	275	-	275
Proceeds from disposal of an associated company		19,984	-	19,984	-
Proceeds from disposal of investments		11,596	-	11,596	-
Proceeds from disposal of plant and equipment		144	203	144	203
<i>Net cash inflow from investing activities</i>		26,834	948	26,891	965
Cash flows from financing activities					
Proceeds from issuance of shares		1,288	1,074	1,288	1,074
Dividends paid		(9,273)	(9,251)	(9,273)	(9,251)
Repayment to bank		(10,252)	(18,168)	(10,252)	(18,168)
Placement of short term deposits with licensed financial institutions for retirement benefits		(8,000)	-	(8,000)	-
<i>Net cash outflow from financing activities</i>		(26,237)	(26,345)	(26,237)	(26,345)
Net increase in cash and cash equivalents		63,041	10,436	62,547	10,401
Cash and cash equivalents at beginning of year		17,878	7,442	17,791	7,390
Cash and cash equivalents at end of year		80,919	17,878	80,338	17,791
Cash and cash equivalents made up of:-					
Short term deposits with licensed banks and financial institutions*		71,970	5,810	71,470	5,810
Cash and bank balances		8,949	12,068	8,868	11,981
		80,919	17,878	80,338	17,791

* Excludes RM8,000,000 earmarked for the Group's and Company's obligations under the retirement benefits scheme as disclosed in Note 16.1 to the financial statements.

The notes set out on pages 46 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

notes to the financial statements

30 June 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the adoption of MASB 29, Employee Benefits.

In addition to the inclusion of the new policy and extended disclosures where required by this new standard, the adoption of MASB 29 has resulted in the recognition for obligations in respect of short term employee benefits in the form of accumulated compensated absences. The adoption of the new standard has not given rise to any adjustment to the opening balances of retained profits of the prior and current year or to changes in comparatives.

1.1 Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

1.2 Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

There were no goodwill nor negative goodwill arising at the time of acquisition of subsidiaries.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

1.3 Associated companies

Associated companies are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associated companies on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associated companies which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associated companies. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Goodwill on acquisition is calculated based on the fair value of net assets acquired, if any.

notes to the financial statements

30 June 2004

1.4 Property, plant and equipment

Freehold land and capital work-in-progress are stated at cost. All other property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses, if any.

Freehold land, leasehold land and buildings at directors' valuation are based on an opinion of open market value expressed by a professional firm of Chartered Surveyors on 30 June 1985. Subsequent additions are shown at cost while deletions are at valuation, or cost, as appropriate.

The Group's policy is to state its property, plant and equipment at cost. Revaluation of leasehold land in 1985 was carried out primarily for the purpose of issuing bonus shares then and was not intended to effect a change in accounting policy to one of revaluation of properties. Hence, in accordance with the transitional provisions of Malaysian Accounting Standards Board (MASB) Approved Accounting Standard IAS 16: Property, Plant and Equipment, the valuation in 1985 has not been updated.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

1.5 Depreciation

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives except for freehold land and capital work-in-progress on which no amortisation is provided. The principal depreciation rates are as follows:-

Leasehold land	-	Amortised by equal annual instalments over the remaining life of the leases which vary between 28 and 79 years.
Buildings	-	4% per annum
Plant and machinery	-	6% per annum
Vehicles, furniture and equipment	-	20% per annum

1.6 Impairment

The carrying amounts of the Group's assets, other than inventories (refer Note 1.9), deferred tax assets (refer Note 1.15) and financial assets (other than investments in subsidiaries and associates), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

notes to the financial statements

30 June 2004

1.7 Investments

Investments in securities are held for long term purposes and are stated at cost. Investment properties are shown at cost and are held for their investment potential and rental income. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Long term investments in subsidiaries and associates are stated at cost in the Company, less impairment loss where applicable.

1.8 Development expenditure

Development expenditure are stated at cost and will be amortised when the Company commences operations.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis. In the case of finished goods and work-in-progress, cost includes direct materials, direct labour and relevant fixed and variable factory overheads which include depreciation charges.

1.10 Receivables

Trade and other receivables are stated at cost less allowance for doubtful debts. Known bad debts are written off and specific and general allowance are made for any considered to be doubtful of collection.

1.11 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with licensed banks and financial institutions and highly liquid investments which have an insignificant risk of change in value.

1.12 Liabilities

Borrowings and trade and other payables are stated at cost.

1.13 Share capital

Preference share capital is classified as equity if it is non-redeemable.

1.14 Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

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(ii) Defined contribution plan

Obligations for statutory employer's contribution for employees are recognised as an expense in the income statement as incurred.

In addition to the statutory contributions on the Employees Provident Fund, the Group also operates a defined contribution plan, which is an unfunded contractual retirement benefits scheme for all eligible union employees in accordance with the terms of the Collective Agreement. The benefits are payable on a lump sum basis calculated on the basis of 10% of total basic salary earned to the date of retirement or resignation without any deduction of the Company's contribution to the Employees Provident Fund.

The Group and Company have earmarked certain short-term deposits with licensed financial institutions for the specific purpose of meeting the Group's and Company's obligations under the retirement benefits scheme. These short-term deposits are renewable automatically on maturity and will be increased on a quarterly basis, if necessary, to enable the Group and Company to meet their obligations under the retirement benefits scheme at all times.

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

(iii) Equity compensation benefits

The share option scheme allows Group Executive Directors and eligible executives to acquire shares of the Company. When the options are exercised, equity is increased by the amount of the proceeds received.

1.15 Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

notes to the financial statements

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1.16 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

(ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rate used in translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations is USD1.00: RM3.80 (2003: USD1.00: RM3.80).

1.17 Income recognition

(i) Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

1.18 Finance costs

All interest and other costs incurred in connection with borrowings are expensed as incurred.

notes to the financial statements

30 June 2004

2. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold Land	Long Term Leasehold Land	Short Term Leasehold Land	Buildings	Plant and Machinery	Motor Vehicles	Furniture and Equipment	Capital Work in Progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
COST/VALUATION									
1 July 2003	39,636	8,060	147	184,901	522,268	6,948	10,083	424	772,467
Additions	11	-	-	127	402	288	982	6,357	8,167
Transfers	-	-	-	2,808	979	-	-	(3,787)	-
Disposals	-	-	-	-	-	(1,008)	-	-	(1,008)
Write off	-	-	-	-	-	-	(1,068)	-	(1,068)
Balance at 30 June 2004	39,647	8,060	147	187,836	523,649	6,228	9,997	2,994	778,558
ANALYSIS OF COST & VALUATION AT 30 June 2004									
Valuation	24,755	8,060	-	53,251	-	-	-	-	86,066
Cost	14,892	-	147	134,585	523,649	6,228	9,997	2,994	692,492
Balance at 30 June 2004	39,647	8,060	147	187,836	523,649	6,228	9,997	2,994	778,558
DEPRECIATION									
1 July 2003	-	1,773	78	65,115	217,280	6,410	9,230	-	299,886
Charge for the year	-	98	5	7,271	25,158	158	676	-	33,366
Charge for 2003	-	98	5	7,147	25,089	130	559	-	33,028
Disposals	-	-	-	-	-	(980)	-	-	(980)
Write off	-	-	-	-	-	-	(1,060)	-	(1,060)
Balance at 30 June 2004	-	1,871	83	72,386	242,438	5,588	8,846	-	331,212
NET BOOK VALUE 30 June 2004	39,647	6,189	64	115,450	281,211	640	1,151	2,994	447,346
30 June 2003	39,636	6,287	69	119,786	304,988	538	853	424	472,581

During the year, a subsidiary company entered into a conditional agreement to sell a piece of freehold land with a net book value of RM6,907,000 to a developer for a commercial development and/or housing scheme for a consideration of RM8,800,000. The precedent conditions of the agreement have not been fulfilled as at year end.

notes to the financial statements

30 June 2004

2. PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Freehold Land RM'000	Long Term Leasehold Land RM'000	Short Term Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Motor Vehicles RM'000	Furniture and Equipment RM'000	Capital Work in Progress RM'000	Total RM'000
COST/VALUATION									
1 July 2003	25,932	8,060	147	184,465	522,161	6,888	10,061	424	758,138
Additions	1	-	-	127	401	238	979	6,357	8,103
Transfers	-	-	-	2,808	979	-	-	(3,787)	-
Disposals	-	-	-	-	-	(1,008)	-	-	(1,008)
Write off	-	-	-	-	-	-	(1,067)	-	(1,067)
Balance at 30 June 2004	25,933	8,060	147	187,400	523,541	6,118	9,973	2,994	764,166
ANALYSIS OF COST & VALUATION AT 30 June 2004									
Valuation	19,975	8,060	-	53,251	-	-	-	-	81,286
Cost	5,958	-	147	134,149	523,541	6,118	9,973	2,994	682,880
	25,933	8,060	147	187,400	523,541	6,118	9,973	2,994	764,166
DEPRECIATION									
1 July 2003	-	1,773	78	64,942	217,216	6,357	9,214	-	299,580
Charge for the year	-	98	5	7,254	25,152	144	674	-	33,327
Charge for 2003	-	98	5	7,129	25,083	125	557	-	32,997
Disposals	-	-	-	-	-	(980)	-	-	(980)
Write off	-	-	-	-	-	-	(1,060)	-	(1,060)
Balance at 30 June 2004	-	1,871	83	72,196	242,368	5,521	8,828	-	330,867
NET BOOK VALUE 30 June 2004	25,933	6,189	64	115,204	281,173	597	1,145	2,994	433,299
30 June 2003	25,932	6,287	69	119,523	304,945	531	847	424	458,558

notes to the financial statements

30 June 2004

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Revaluation

Land and buildings are stated at Directors' valuation based on professional valuations made by a Chartered Surveyor, on the open market basis conducted in June 1985.

Had the land and buildings been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year would be as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Freehold land	20,302	20,302	15,522	15,522
Long term leasehold land	1,137	1,153	1,137	1,153
Buildings	31,122	32,125	31,122	32,125
	52,561	53,580	47,781	48,800

3. SUBSIDIARY COMPANIES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unquoted shares at cost	-	-	16,600	16,600

The wholly-owned subsidiaries and their principal activities are:-

	Place of incorporation	Unquoted shares at cost		Principal activities
		2004 RM'000	2003 RM'000	
Posek Pembangunan Sdn Bhd	Malaysia	7,000,002	7,000,002	Intention-property development
Tasek Cement Manufacturing Sdn Bhd	Malaysia	2	2	Dormant
Tasek Plantation Sdn Bhd (formerly known as Gunong Kuang Industrial Estate Sdn Bhd)	Malaysia	9,600,002	9,600,002	Land cultivation, plantation and estate management
Tasek Investments (BVI) Ltd*	British Virgin Islands	5	5	Investment holding
TCB Equities (BVI) Ltd*	British Virgin Islands	5	5	Dormant

*Note: These foreign subsidiaries have not been audited as there is no statutory requirement to do so.

notes to the financial statements

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4. ASSOCIATED COMPANIES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Quoted shares at cost	-	5,725	-	5,725
Unquoted shares at cost	21,592	21,592	21,592	21,592
Add: Group's share of post acquisition profit	53,124	58,065	-	-
Less: Allowance for diminution in value	(1,200)	(1,200)	(1,200)	(1,200)
	73,516	84,182	20,392	26,117
Represented by:				
Group's share of net assets other than goodwill	73,516	84,182	-	-
Market value of quoted shares	-	18,014	-	18,014

The associated companies, all incorporated in Malaysia, are:-

	Group's Equity Interest		Financial Year	Principal Activities
	2004	2003		
Cement Industries (Sabah) Sdn Bhd	30.00%	30.00%	31 December	Manufacture and sale of cement.
Padu-Wangsa Sdn Bhd	29.00%	29.00%	31 December	Intention to establish a clinker plant in Sabah.
Rock Chemical Industries (Malaysia) Berhad - quoted in Malaysia	-	23.63%	31 December	Investment holding.

notes to the financial statements

30 June 2004

5. INVESTMENTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Shares - at cost				
In Malaysian quoted corporations	1,098	1,980	1,098	1,980
In overseas quoted corporations	8,883	15,475	6,480	13,072
Less: Allowance for diminution in value	-	3,000	-	3,000
	8,883	12,475	6,480	10,072
In Malaysian unquoted corporation	3,936	3,936	3,936	3,936
Less: Allowance for diminution in value	(3,936)	(3,936)	(3,936)	(3,936)
	-	-	-	-
	9,981	14,455	7,578	12,052
Investment properties - at cost	370	370	370	370
Less: Allowance for diminution in value	100	100	100	100
	270	270	270	270
	10,251	14,725	7,848	12,322

The market value of the quoted investments are shown in Note 31.

6. DEVELOPMENT EXPENDITURE

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Balance at 1 July	91	91	-	-
Additions during the year	11	-	-	-
Balance at 30 June	102	91	-	-

notes to the financial statements

30 June 2004

7. INVENTORIES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Finished goods	2,846	2,574	2,846	2,574
Work-in-progress	8,748	3,719	8,748	3,719
Raw materials	5,752	4,178	5,752	4,178
Consumable stores	28,104	23,463	28,075	23,426
Balance at 30 June	45,450	33,934	45,421	33,897

Work-in-progress of RM1.9 million (2003:RM Nil) of the Group and of the Company are carried at net realisable value.

8. TRADE RECEIVABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade receivables	30,542	31,928	30,542	31,928
Less: Allowance for doubtful debts				
As at 1 July	2,420	2,420	2,420	2,420
Allowance for doubtful debts written back	(1,120)	-	(1,120)	-
As at 30 June	1,300	2,420	1,300	2,420
	29,242	29,508	29,242	29,508

9. AMOUNTS DUE FROM SUBSIDIARY COMPANIES

The amounts due from the wholly-owned subsidiaries are interest free, unsecured and have no fixed terms of repayment.

10. AMOUNTS DUE FROM ASSOCIATED COMPANIES

The amounts due from associated companies are trade in nature, interest free, unsecured and under normal credit terms.

notes to the financial statements

30 June 2004

11. SHORT TERM DEPOSITS WITH LICENSED BANKS AND FINANCIAL INSTITUTIONS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Deposits are placed with:				
Licensed banks	43,370	5,810	42,870	5,810
Licensed financial institutions	36,600	-	36,600	-
	79,970	5,810	79,470	5,810

Included in short term deposits with licensed financial institutions of both the Group and the Company are RM8,000,000 (2003: RM Nil) placed in the licensed financial institutions specifically to enable the Group and the Company to meet the Group's and the Company's obligations under the retirement benefits scheme as further explained in Note 16.1.

12. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Other payables	15,246	14,444	14,570	14,371
Accruals	5,371	5,573	5,193	5,284
	20,617	20,017	19,763	19,655

13. BANK BORROWINGS (UNSECURED)

13.1 Short Term

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Long term borrowings repayable within 1 year (Note 13.2)	-	8,668	-	8,668

notes to the financial statements

30 June 2004

13. BANK BORROWINGS (UNSECURED) (continued)

13.2 Long Term

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Term loan	-	5,825	-	5,825
Revolving credit	-	4,427	-	4,427
	-	10,252	-	10,252
Less: Repayable within 1 year (Note 13.1)	-	8,668	-	8,668
	-	1,584	-	1,584

The term loan and revolving credit were fully settled during the year.

Terms and debt repayment schedule

The interest rates applicable to the term loan ranged from 5.4% to 7.0% (2003: 5.4% to 7.0%) per annum.

The interest rates applicable to the revolving credit ranged from 4.4% to 4.6% (2003: 4.4% to 4.6%) per annum.

14. SHARE CAPITAL

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Authorised:				
6% cumulative participating preference shares of RM1 each	500	500	500	500
Ordinary shares of RM1 each	299,500	299,500	299,500	299,500
	300,000	300,000	300,000	300,000
Issued and fully paid:				
6% cumulative participating preference shares of RM1 each	500	500	500	500
Ordinary shares of RM1 each				
As at 1 July	183,025	182,488	183,025	182,488
Issue during the year arising from Executive Share Option Scheme	637	537	637	537
As at 30 June	183,662	183,025	183,662	183,025
	184,162	183,525	184,162	183,525

During the financial year, the Company issued 637,200 ordinary shares of RM1 each arising from the subscription of 605,600 and 31,600 ordinary shares of RM1 under the Executive Share Option Scheme ("ESOS") at the option price of RM2.00 per share and RM2.42 per share respectively.

notes to the financial statements

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15. RESERVES

	Note	<- Non-distributable ->		<- Distributable ->		Total RM'000
		Share premium RM'000	Revaluation reserve RM'000	General reserve RM'000	Retained profits RM'000	
GROUP						
At 1 July 2002		132,412	11,199	115,347	131,115	390,073
Issue of shares:						
Exercise of options	14	537	-	-	-	537
Net profit for the year		-	-	-	18,079	18,079
Dividends						
- 2002 final	25	-	-	-	(9,251)	(9,251)
At 1 July 2003		132,949	11,199	115,347	139,943	399,438
Issue of shares:						
Exercise of options	14	651	-	-	-	651
Net profit for the year		-	-	-	50,691	50,691
Dividends						
- 2003 final	25	-	-	-	(9,273)	(9,273)
At 30 June 2004		133,600	11,199	115,347	181,361	441,507
COMPANY						
At 1 July 2002		132,412	11,199	115,347	91,654	350,612
Issue of shares:						
Exercise of options	14	537	-	-	-	537
Net profit for the year		-	-	-	7,884	7,884
Dividends						
- 2002 final	25	-	-	-	(9,251)	(9,251)
At 1 July 2003		132,949	11,199	115,347	90,287	349,782
Issue of shares:						
Exercise of options	14	651	-	-	-	651
Net profit for the year		-	-	-	55,988	55,988
Dividends						
- 2003 final	25	-	-	-	(9,273)	(9,273)
At 30 June 2004		133,600	11,199	115,347	137,002	397,148

General reserve was transferred from retained profits in previous years.

The Company has sufficient credit under Section 108 of the Income Tax Act, 1967 to frank payment of dividends out of all its distributable reserves at 30 June 2004 without incurring additional taxation subject to agreement by the Inland Revenue Board.

The Company also has approximately RM60,842,000 (2003: RM57,852,000) tax exempt income arising from tax waived income in 1999 and from incentives claimed under the Income Tax Act, 1967, Promotion of Investments Act, 1986 and Investment Incentive Act, 1968 available for distribution as tax exempt dividends subject to agreement by the Inland Revenue Board.

notes to the financial statements

30 June 2004

16. EMPLOYEE BENEFITS**16.1 Retirement benefits**

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Balance at 1 July	10,543	11,214	10,543	11,214
Charge for the year	924	1,516	924	1,516
	11,467	12,730	11,467	12,730
Less: Payments during the year	4,277	2,187	4,277	2,187
Balance at 30 June	7,190	10,543	7,190	10,543

The Group and Company operate a defined contribution plan, which is an unfunded contractual retirement benefits scheme for all eligible union employees in accordance with the terms of the Collective Agreement. The Collective Agreement expired on 30 June 2004 and is under negotiation. Pending the finalisation of the new Collective Agreement, the benefits will continue according to the previous Collective Agreement whereby the benefits are payable on a lump sum basis calculated on the basis of 10% of total basic salary earned to the date of retirement or resignation without any deduction of the Group's and Company's contribution to the Employees Provident Fund.

During the year under review, the retirement benefits scheme for all eligible employees other than union employees and full time executive directors was abolished and the provision for retirement benefits made for these employees and directors were substantially paid.

The Group and Company have earmarked certain short-term deposits with licensed financial institutions for the specific purpose of meeting the Group's and Company's obligations under the retirement benefits scheme. These short-term deposits are renewable automatically on maturity and will be increased on a quarterly basis, if necessary, to enable the Group and Company to meet their obligations under the retirement benefits scheme at all times.

16.2 Equity compensation benefits***Share option plan***

The Group offers vested share options over ordinary shares to Executive Directors and eligible executives who are at least eighteen years of age and is an executive of the Group. Movements in the number of share options held by employees are as follows:

	Group/Company	
	2004 '000	2003 '000
Outstanding at 1 July	1,477	2,716
Exercised	(637)	(537)
Lapsed	(281)	(702)
Outstanding at 30 June	559	1,477

There were no new options granted during the year.

notes to the financial statements

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16.2 Equity compensation benefits (continued)

Details of share options exercised during the year:

	Group/Company	
	2004	2003
Expiry date	8 March 2006	8 March 2006
Option price per ordinary share (RM)	2.00 - 2.42	2.00 - 2.42
Aggregate issue proceeds (RM'000)	1,288	1,074
Fair value at date of issue (RM'000)	1,794	1,240

Terms of the options outstanding at 30 June 2004:

Expiry date	Option price RM	Number
8 March 2006	2.00	418,800
8 March 2006	2.42	139,600
		<u>558,400</u>

The Group received proceeds of RM1,288,000 in respect of the 637,000 options exercised during the year; RM637,000 was credited to share capital and RM651,000 was credited to share premium.

At an Extraordinary General Meeting held on 25 February 2003, the existing option holders and shareholders approved the extension of the duration of the scheme for another 5 years from 8 March 2006 to 7 March 2011.

The cumulative participating preference shares have the following rights attached to them:-

- (a) The right to a fixed cumulative preference dividend of 6% per annum.
- (b) The right to further participation in the profits and in the assets in case of liquidation with the ordinary shares.
- (c) Entitled to a return of capital in preference to holders of Ordinary Shares when the Company is wound up.
- (d) Have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets and attending general meetings of the Company.
- (e) Have the right to vote in each of the following circumstances:-
 - (i) When the dividend or part of the dividend on the share is in arrears for more than 6 months;
 - (ii) On a proposal to reduce the Company's share capital;
 - (iii) On a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (iv) On a proposal that affect rights attached to the share;
 - (v) On a proposal to wind up the Company; and
 - (vi) During the winding up of the Company.

notes to the financial statements

30 June 2004

17. DEFERRED TAXATION

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Balance at 1 July	23,669	22,390	23,640	22,336
Transfer from Income Statement (Note 22.1)	11,610	1,279	11,610	1,304
Balance at 30 June	35,279	23,669	35,250	23,640

The recognised deferred tax assets and liabilities of the Company are as follows:-

	Company	
	2004 RM'000	2003 RM'000
Property, plant and equipment		
- Capital allowances in excess of depreciation	58,260	54,131
- Revaluation, net of related depreciation	1,950	2,140
Allowance for doubtful debts	(364)	(678)
Unabsorbed capital allowances	(22,217)	(28,544)
Others	(2,379)	(3,409)
	35,250	23,640

The unabsorbed capital allowances disclosed above are subject to agreement by the Inland Revenue Board.

A subsidiary company has deferred tax liabilities amounting to RM29,000 (2003: RM29,000) arising from taxable temporary differences on property, plant and equipment.

18. REVENUE

Revenue represents the net invoiced value of cement and related products sold.

notes to the financial statements

30 June 2004

19. OPERATING PROFIT

Operating profit is arrived at:-

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
After charging:-				
Auditors' remuneration				
- current year	41	39	40	38
- underprovision in previous year	-	1	-	-
Depreciation and amortisation (Note 2)	33,366	33,028	33,327	32,997
Directors' remuneration				
- Fees - non-executive directors	445	247	445	247
- executive directors	50	95	50	95
- Salaries - executive directors	935	1,068	935	1,068
- Bonuses and allowances				
- executive directors	176	249	176	249
Consumable stores written off	-	552	-	552
Work-in-progress inventories written down	1,000	-	1,000	-
Plant and equipment written off	8	123	7	123
Retirement benefits charged	924	1,516	924	1,516
Rental of machinery	312	694	312	694
Rental of land and buildings	43	285	43	285
Retrenchment benefit	-	12	-	6
and crediting:-				
Allowance for doubtful debts written back	1,120	-	1,120	-
Gain on disposal of plant and equipment	116	203	116	203
Gross dividends received from associated companies				
- quoted in Malaysia	-	1,101	-	1,101
- unquoted	2,940	2,520	2,940	2,520
Gross dividends received from investments				
- quoted overseas	245	199	238	192
- quoted in Malaysia	184	571	184	571
Gross rental income from investment properties	16	10	16	10

The estimated monetary value of Directors' benefits-in-kind is RM37,334 (2003: RM42,248).

notes to the financial statements

30 June 2004

20. FINANCE COSTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Term loan interest	140	898	140	898
Bankers' acceptances interest	-	145	-	145
	140	1,043	140	1,043

21. GAIN ON DISPOSAL OF INVESTMENTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Gain on disposal of quoted investments	7,122	-	7,122	-
Gain on disposal of an associated company	4,399	-	14,259	-
	11,521	-	21,381	-

22. TAX EXPENSE

22.1 Components of tax expense:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Taxation for the year	696	442	630	367
Transfer to deferred taxation account (Note 17)	11,610	1,279	11,610	1,304
Share of associated companies' taxation	4,928	2,906	-	-
	17,234	4,627	12,240	1,671
Overprovision in previous year	(19)	-	-	-
	17,215	4,627	12,240	1,671

The Group and the Company has unutilised reinvestment allowances amounting to RM218,000,000 (2003: RM218,000,000), subject to agreement by the Inland Revenue Board.

notes to the financial statements

30 June 2004

22.2 Reconciliation of effective tax rate:

	2004 %	2004 RM'000	2003 %	2003 RM'000
GROUP				
Profit before taxation		67,906		22,706
Income tax using Malaysian Tax rates	28.0	19,014	28.0	6,358
Non-deductible expenses	0.5	327	1.4	328
Non-taxable income	(3.0)	(2,007)	(11.0)	(2,501)
Other items	(0.1)	(100)	1.9	442
	25.4	17,234	20.3	4,627
Overprovision in previous year	-	(19)	-	-
Tax expense	25.4	17,215	20.3	4,627
COMPANY				
Profit before taxation		68,228		9,555
Income tax using Malaysian Tax rates	28.0	19,104	28.0	2,675
Non-deductible expenses	0.5	327	3.4	328
Non-taxable income	(10.2)	(6,935)	(17.7)	(1,699)
Other items	(0.4)	(256)	3.8	367
Tax expense	17.9	12,240	17.5	1,671

23. EMPLOYEE INFORMATION

	Group		Company	
	2004	2003	2004	2003
Employee costs (RM'000)	20,522	20,756	20,339	20,680
Employees Provident Fund (RM'000)	2,105	2,193	2,096	2,189
Average number of employees	584	625	555	599

notes to the financial statements

30 June 2004

24. EARNINGS PER SHARE

Basic earnings per share

The earnings per share is calculated by dividing the Group's earnings after taxation of RM50,691,000 (2003: RM18,079,000) and the Company's earnings after taxation of RM55,988,000 (2003: RM7,884,000) and deducting preference dividend of RM22,000 (2003: RM22,000) and the proportion of profit attributable to preference shareholders of RM138,000 (2003: RM49,000) for the Group and RM152,000 (2003: RM21,000) for the Company by the weighted average number of ordinary shares in issue during the year of 183,173,000 (2003: 182,735,000).

Diluted earnings per share

The diluted earnings per share is calculated by dividing the Group's earnings after taxation of RM50,691,000 (2003: RM18,079,000) and the Company's earnings after taxation of RM55,988,000 (2003: RM7,884,000) and deducting preference dividend of RM22,000 (2003: RM22,000) and the proportion of profit attributable to preference shareholders of RM138,000 (2003: RM49,000) for the Group and RM152,000 (2003: RM21,000) for the Company by the weighted average number of ordinary shares (diluted) during the year of 183,288,000 (2003: 182,910,000).

The calculation of the weighted average number of ordinary shares (diluted) is as follows:-

Weighted average number of ordinary shares as above	183,173,000
Effect of share options	115,000
	<hr/>
Weighted average number of ordinary shares (diluted)	183,288,000
	<hr/>

25. DIVIDENDS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Proposed final				
- Preference 6 sen less tax at 28% (2003: 6 sen less tax at 28%)	22	22	22	22
- Cumulative Participating Preference 10 sen less tax at 28% (2003: 7 sen less tax at 28%)	36	25	36	25
- Ordinary 10 sen less tax at 28% (2003: 7 sen less tax at 28%)	13,224	9,226	13,224	9,226
	<hr/>		<hr/>	
	13,282	9,273	13,282	9,273
	<hr/>		<hr/>	

The proposed final dividends have not been accounted for in the financial statements.

notes to the financial statements

30 June 2004

26. NOTES TO THE CASH FLOW STATEMENTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Profit before taxation	67,906	22,706	68,228	9,555
Adjustments for:-				
Allowance for doubtful debts written back	(1,120)	-	(1,120)	-
Depreciation and amortisation	33,366	33,028	33,327	32,997
Dividend income	(3,369)	(4,390)	(3,362)	(4,383)
Gain on disposal of investment properties	-	(1)	-	(1)
Gain on disposal of an associated company	(4,399)	-	(14,259)	-
Gain on disposal of quoted investments	(7,122)	-	(7,122)	-
Gain on disposal of plant and equipment	(116)	(203)	(116)	(203)
Interest expense	140	1,043	140	1,043
Interest income	(1,263)	(198)	(1,263)	(198)
Net rental (income)/expenses	(14)	2	(14)	2
Plant and equipment written off	8	123	7	123
Profit retained in associated companies	(9,847)	(13,009)	-	-
Retirement benefits charged	924	1,516	924	1,516
	7,188	17,911	7,142	30,896
Profit before working capital changes	75,094	40,617	75,370	40,451
Development expenditure paid	(11)	-	-	-
(Advances to)/Repayment from subsidiary companies	-	-	(101)	106
Decrease/(Increase) in trade and other receivables	1,087	(7,136)	804	(7,061)
(Increase)/Decrease in inventories	(11,516)	3,629	(11,524)	3,655
Increase in trade and other payables	988	672	496	494
Repayment from associated companies	2	1,202	2	1,202
Cash inflow from operations	65,644	38,984	65,047	38,847

27. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are:-

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Property, plant and equipment:				
Approved and contracted for	10,471	-	10,471	-
Approved but not contracted for	7,841	9,504	7,841	9,504
	18,312	9,504	18,312	9,504

notes to the financial statements

30 June 2004

28. RELATED PARTIES*Identity of related parties*

The Company has a controlling related party relationship with its subsidiary companies and the substantial shareholders of the Company.

The Company also has related party relationships with companies in which certain Directors have substantial interest and close members of their families.

Related party transactions

Significant transactions with related parties in the financial statements are as follows:-

<i>Transactions</i>	Company	
	2004	2003
	RM'000	RM'000
With a close member of a Director :-		
Rental paid to the late Dato' Tan Eng Soon	20	32
With companies in which certain Directors have interests:-		
Freight charges paid to:		
Syarikat Perniagaan Serbaneka (Pk) Sdn Bhd	7,889	7,831
Pengangkutan Tasek Sdn Bhd	2,733	3,186
Payment of insurance premium to:		
Asia Insurance (M) Bhd	186	224
Asia Life (M) Berhad	1	59
Rental paid to Hong Leong Assurance Berhad	-	209
Rental received from Syarikat Perniagaan Serbaneka (Pk) Sdn Bhd	824	473
Sales of cement to:		
Bakajaya Sdn Bhd	3,129	4,117
Lipro Trading Sdn Bhd	11,041	7,173
RCI Marketing Sdn Bhd	-	109
Transactions with associated company :-		
Management fees received from Cement Industries (Sabah) Sdn Bhd	-	11
Sales of clinker to Cement Industries (Sabah) Sdn Bhd	7,843	13,410

notes to the financial statements

30 June 2004

28. RELATED PARTIES (continued)

<i>Transactions</i>	Company	
	2004 RM'000	2003 RM'000
With companies in which certain close members of certain Directors have interests:-		
Sales of cement to:		
Indra Jati Sdn Bhd	3,221	2,385
Simen Gaya Bersatu Sdn Bhd	943	4,585
Soo Ee & Co Sdn Bhd	2,690	4,127
First Direct Line Sdn Bhd	-	1,241
Freight charges paid to:		
Pengangkutan Mahausaha Sdn Bhd	1,444	1,672
With companies in which certain Directors, who have since resigned, have interests:-		
Share registrar expenses paid to		
Hong Leong Share Registration Services Sdn Bhd <i>(formerly known as Hong Leong Nominees Sdn Bhd)</i>	48	59
Sales of cement to:		
Hong Leong Marketing Co Bhd	31,987	36,250
Kimsik Co Sdn Bhd	13,184	16,164

The above transactions have been entered in the normal course of business and have been negotiated on arms length basis.

notes to the financial statements

30 June 2004

29. DIRECTORS' REMUNERATION

Directors' remuneration for the year ended 30 June 2004 in successive bands of RM50,000 are as follows:-

Directors remuneration	←————— Number of Directors —————→			
	Executive directors	Non-executive directors	Total 2004	Total 2003
RM0 to RM50,000	-	12	12	12
RM50,001 to RM100,000	-	1	1	-
RM100,001 to RM150,000	-	-	-	-
RM150,001 to RM200,000	-	-	-	-
RM200,001 to RM250,000	-	-	-	-
RM250,001 to RM300,000	-	-	-	1
RM300,001 to RM350,000	1	-	1	-
RM350,001 to RM400,000	-	-	-	-
RM400,001 to RM450,000	-	-	-	1
RM450,001 to RM500,000	-	-	-	-
RM500,001 to RM550,000	-	-	-	-
RM550,001 to RM600,000	-	-	-	-
RM600,001 to RM650,000	-	-	-	1
RM650,001 to RM700,000	-	-	-	-
RM700,001 to RM750,000	-	-	-	-
RM750,001 to RM800,000	-	-	-	-
RM800,001 to RM850,000	1	-	1	-
	2	13	15	15

30. SEGMENTAL INFORMATION

No segmental information is disclosed as the Company only engages in the manufacture and sale of cement and related products in Malaysia.

31. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Exposure to credit, currency and interest rate risk arises in the normal course of the Group and the Company's business. The Group and the Company have written risk management policies and guidelines which sets out their overall business strategies, their tolerance to risk and their general risk management philosophy. Such written policies are reviewed annually by the Board of Directors, and quarterly reviews are undertaken to ensure that the Group and the Company's policy guidelines are adhered to.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At balance sheet date, there were no significant concentrations of credit risk except for amounts owing from 1 customer, which make up 11% of total trade receivables, which are monitored closely by the Management. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

notes to the financial statements

30 June 2004

31. FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk

The Group and the Company is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than Ringgit Malaysia. Some of the Group's and the Company's sales and purchases are priced in US Dollar.

It is not the Group's and the Company's policy to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency.

Interest rate risk

The Company is exposed to interest rate risk in respect of its short term deposits with licensed banks and financial institutions. However, the fluctuation in interest rates, if any, is not expected to have a material impact on the financial performance of the Company.

Effective interest rates analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprise or mature, whichever is earlier.

GROUP	Effective interest rate %	Total RM'000	Within 1 year RM'000	1-5 years RM'000
2004				
Financial assets				
Short term deposits with licensed banks and financial institutions	2.7 - 3.0	79,970	79,970	-
2003				
Financial assets				
Short term deposits with licensed banks	2.2 - 2.4	5,810	5,810	-
Financial liabilities				
Bank borrowings (unsecured)	4.4 - 7.0	10,252	8,668	1,584

notes to the financial statements

30 June 2004

31. FINANCIAL INSTRUMENTS (continued)

COMPANY	Effective interest rate %	Total RM'000	Within 1 year RM'000	1-5 years RM'000
2004				
Financial assets				
Short term deposits with licensed banks and financial institutions	2.7 - 3.0	79,470	79,470	-
2003				
Financial assets				
Short term deposits with licensed banks	2.2 - 2.4	5,810	5,810	-
Financial liabilities				
Bank borrowings (unsecured)	4.4 - 7.0	10,252	8,668	1,584

Fair value**Recognised financial instruments**

In respect of cash and cash equivalents, trade and other receivables, trade and other payables and amount due from subsidiary and associated companies, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

The aggregate fair values of the investments in quoted shares carried on the balance sheet as at 30 June are represented in the following table:

notes to the financial statements

30 June 2004

31. FINANCIAL INSTRUMENTS (continued)

	2004		2003	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
GROUP				
Financial assets				
<i>Investments</i>				
Quoted shares - in Malaysia	1,098	6,642	1,980	9,779
Quoted shares - overseas	8,883	14,995	12,475	16,865
COMPANY				
Financial assets				
<i>Investments</i>				
Quoted shares - in Malaysia	1,098	6,642	1,980	9,779
Quoted shares - overseas	6,480	14,171	10,072	16,189

The fair value of quoted shares is their quoted bid price at the balance sheet date.

It is not practicable to estimate the fair value of the investment properties amounting to RM269,924 (2003: RM269,924) at balance sheet date due to the lack of quoted market prices and the inability to estimate fair values without incurring excessive costs. However, the Directors believe that the carrying amounts recorded at balance sheet date approximate the corresponding fair values.

The term loan and revolving credit facilities amounting to RM Nil (2003: RM900,000) and RM Nil (2003: RM684,000) respectively at balance sheet date are floating rate loans and can be terminated by either party at any time before the expiry of the loans period. Therefore, the fair value of the term loan and revolving credits closely approximate their carrying value as at the balance sheet date.

list of properties

for the year ended 30 June 2004

Location	Tenure	Area	Estimated Age of Building	Description & Existing use	Net Book Value RM'000	Year of Revaluation/ Acquisition
A. Owned by Tasek Corporation Berhad						
1. Lot 15667 (CT.15208) Chemor Mukim Ulu Kinta Perak	Freehold	97a 2r 35p	-	Agricultural/ Clay extraction	391	1985
2. Lot 44409 (CT.25294) Tasek Mukim Ulu Kinta Perak	Freehold	9a 3r 16p	-	Agricultural/ Future Development	857	1985
3. Lot 15030 (CT.3500) Tasek Mukim Ulu Kinta Perak	Freehold	2a 3r 21p	-	Agricultural/ Storage Yard	276	1985
4. Lot 24862 (CT.5399) Tasek Mukim Ulu Kinta Perak	Freehold	1a 2r 9p	-	Agricultural/ Future Development	68	1985
5. Lot 13777 (CT.8522) Tasek Mukim Ulu Kinta Perak	Freehold	8a 3r 28p	-	Agricultural/ Future Development	840	1985
6. Lot 24861 (CT.5398) Tasek Mukim Ulu Kinta Perak	Freehold	3a 0r 20p	-	Agricultural/ Future Development	184	1985
7. Lot 44410 (CT.25295) Tasek Mukim Ulu Kinta Perak	Freehold	9a 3r 12p	-	Agricultural/ Storage Yard	1,069	1985
8. Lot 15033 (CT.15395) Tasek Mukim Ulu Kinta Perak	Freehold	3a 3r 24p	-	Agricultural/ Storage Yard	357	1985
9. Lot 601 (G.8466) Jln Kuala Kangsar Mukim Ulu Kinta Perak	Freehold	26a 1r 29p	-	Agricultural/ Storage Yard	3,624	1985
10. Lot 16908 (G.8447) Tasek Mukim Ulu Kinta Perak	Freehold	4a 1r 19p	-	Agricultural/ Future Development	177	1985
11. Lot 24863 (G.8449) Tasek Mukim Ulu Kinta Perak	Freehold	1a 2r 9p	-	Agricultural/ Future Development	131	1985
12. Lot 233 (PN.2306) Jln Kuala Kangsar Mukim Ulu Kinta Perak	Freehold	30a 2r 24p	-	Agricultural/ Future Development	2,667	1985

list of properties

Location	Tenure	Area	Estimated Age of Building	Description & Existing use	Net Book Value RM'000	Year of Revaluation/ Acquisition
A. Owned by Tasek Corporation Berhad						
13. Lot 15627 (CT.9378) Tasek Mukim Ulu Kinta Perak	Freehold	3a 1r 21p	-	Agricultural/ Future Development	237	1985
14. Lot 19899 (CT.11746) Tasek Mukim Ulu Kinta Perak	Freehold	5a 2r 32p	-	Agricultural/ Storage Yard	496	1985
15. Lot 17127 (CT.10917) Tasek Mukim Ulu Kinta Perak	Freehold	3a 3r 29p	-	Agricultural/ Future Development	360	1985
16. Lot 15032 (CT.9247) Tasek Mukim Ulu Kinta Perak	Freehold	3a 3r 27p	-	Agricultural/ Future Development	369	1985
17. Lot 21354 (CT.14706) Tasek Mukim Ulu Kinta Perak	Freehold	4a 2r 39p	-	Agricultural/ Future Development	230	1985
18. Lot 44411 (CT.25296) Tasek Mukim Ulu Kinta Perak	Freehold	20a 1r 5p	-	Industrial/ Future Development	3,094	1985
19. Lot 43100 (CT.28442) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak Factory Building	Freehold	5a 0r 0p	1 to 40	Industrial/ Factory Site	1,339	1985
20. Lot 43101 (CT.28443) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak Factory Building	Freehold	4a 3r 39p	-	Industrial/ Factory Site	1,087	1985
21. Lot 22548 (CT.8990) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak Factory Building	Freehold	2a 1r 39p	1 to 40	Industrial/ Factory Site	944	1985

list of properties

Location	Tenure	Area	Estimated Age of Building	Description & Existing use	Net Book Value RM'000	Year of Revaluation/ Acquisition
A. Owned by Tasek Corporation Berhad						
22. Lot 22547 (CT.8448) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak Factory Building	Freehold	2a 1r 39p	1 to 40	Industrial/ Factory Site	2,463	1985
23. Lot 14661 (CT.9236) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak Factory Building	Freehold	4a 3r 33p	-	Industrial/ Factory Site	1,402	1985
24. Lot 14662 (G.9002) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak Factory Building	Freehold	8a 1r 36p	1 to 40	Industrial/ Factory Site	2,424	1985
25. Lot 15029 (G.9245) Tasek Mukim Ulu Kinta Perak	Freehold	3a 0r 32p	-	Agricultural/ Future Development	368	1985
26. Lot 14870 (G.8977) Tasek Mukim Ulu Kinta Perak	Freehold	4a 3r 5p	-	Agricultural/ Future Development	576	1985
27. Lot 15031 (G.22300) Tasek Mukim Ulu Kinta Perak	Freehold	4a 1r 37p	-	Agricultural/ Future Development	383	1985
28. Lot 21989 (G.22303) Chemor Mukim Ulu Kinta Perak	Freehold	47a 3r 35p	-	Agricultural/ Future Development	757	1985
29. Lot 1552 (MG.136) Sungai Buloh Mukim Gombak Selangor Factory Building	Freehold	2a 3r 20p	8	Bulk Terminal/ Storage Packing	13,977	1995

list of properties

Location	Tenure	Area	Estimated Age of Building	Description & Existing use	Net Book Value RM'000	Year of Revaluation/ Acquisition
A. Owned by Tasek Corporation Berhad						
30. Lot 47435 (QT(R) 2/66) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak Factory Building	Leasehold Expiring in 2062	29a 0r 0p	1 to 40	Industrial/ Factory Site	99,998	1985
31. Lot PT.59 (HS (D) 1865/83) Kampung Acheh Mukim Lumut Perak Store	Leasehold Expiring in 2082	25a 1r 24.8p	21	Industrial/ Storage Yard & Jetty	2,297	1985
32. Lot PT.160443 (HS(D)KA 83030) Batu 3 1/2 Jln Kuala Kangsar Mukim Ulu Kinta Perak	Leasehold Expiring in 2030	38.77a	-	Limestone Quarry	31	1985
33. Lot PT.160403, 160402 & 160404 HS(D)KA 83028, 83027 & 83029 Batu 3 1/2 Jln Kuala Kangsar Mukim Ulu Kinta Perak	Leasehold Expiring in 2030	3.38a) 25.02a) 17.31a)	-	Limestone Quarry	43	1985

list of properties

	Location	Tenure	Area	Estimated Age of Building	Description & Existing use	Net Book Value RM'000	Year of Revaluation/ Acquisition
B	Owned by Posek Pembangunan Sdn Bhd						
1	Lot 399 (CT.MK1) Seberang Perai Mukim Perai Pulau Pinang	Freehold	2a 2r 4p	-	Vacant Land/ Future Development	2,400	2001
2	Lot 11954 (CT.5797) Jln Kuala Kangsar Mukim Ulu Kinta Perak	Freehold	21a 2r 3p	-	Commercial Land for Development	6,900	2001
C	Owned by Tasek Plantation Sdn. Bhd. (formerly known as Gunong Kuang Industrial Estate Sdn Bhd)						
1	Lot 12397 (GT.15229) Chemor Mukim Ulu Kinta Perak	Freehold	149a 3r 7p	-	Agricultural/ Future Development	1,914	2001
2	Lot 15474 (GT.9401) Chemor Mukim Ulu Kinta Perak	Freehold	15a 1r 2p	-	Agricultural/ Future Development	195	2001
3	Lot 17286 (GT.10417) Chemor Mukim Ulu Kinta Perak	Freehold	9a 1r 13p	-	Industrial	119	2001
4	Lot 19705 (GT.12138) Chemor Mukim Ulu Kinta Perak	Freehold	0a 2r 37p	-	Agricultural/ Future Development	9	2001
5	Lot 34057 & 34059 (GT.14286) Chemor Mukim Ulu Kinta Perak	Freehold	237a 1r 12p	-	Industrial	3,096	2001
6	Lot 34582 (GT.19216) Chemor Mukim Ulu Kinta Perak	Freehold	4a 2r 30p	-	Industrial	58	2001
7	Lot 36233 (GT.16280) Chemor Mukim Ulu Kinta Perak	Freehold	579a 3r 0p	-	Agricultural/ Future Development	7,409	2001

proxy FORM



I/We, _____
(BLOCK LETTERS)

of _____

being a member of Tasek Corporation Berhad, hereby appoint _____

_____ or failing him

_____ as my/our

proxy to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held in Selangor on Wednesday, 20 October 2004 at 10.00 a.m. or at any adjournment thereof.

My/Our Proxy is to vote as indicated below :-

RESOLUTIONS	FOR	AGAINST
1 To receive the Accounts and Reports for the year ended 30 June 2004		
2 To declare a Final Dividend of 10% per share less income tax of 28%		
3 To approve the increase and payment of Directors' fees		
4 To elect Mr. Ponnu Jeyasingam, a director who was appointed during the year under Article 85 of the Articles of Association		
To re-elect the following Directors who retire by rotation under Article 94 of the Articles of Association:-		
5 Mr. Tan Saik Hock		
6 Dato' Loh Cheng Yean		
7 Raja Dato' Seri Abdul Aziz bin Raja Salim		
8 To re-appoint Messrs. KPMG as Auditors & authorise the Directors to fix their remuneration		
As special business, to approve the following ordinary resolutions:-		
9 Authority To Directors to Issue Shares		
10 Renewal of authority for the Purchase of Own Shares by the Company		
11 Renewal of Mandate on Recurrent Related Party Transactions		

(Please indicate with an "x" or "v" in the appropriate above space how you wish your votes to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion).

Number of Shares held

Date _____ 2004

Signature of Shareholder _____

Notes

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- (3) The Form of Proxy must be deposited at the Registered Office of the Company at Lot 1552, Kg. Jaya Industrial Area, Off Jalan Hospital, 47000 Sungai Buloh, Selangor not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

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AFFIX STAMP
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THE COMPANY SECRETARY
TASEK CORPORATION BERHAD

Lot 1552, Kg. Jaya Industrial Area
Off Jalan Hospital, 47000
Sungai Buloh, Selangor

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