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CORPORATE DATA

BOARD OF DIRECTORS

Datuk Dr. Hussein Awang (*Chairman*)
Dato' Teo Tong Kooi (*Executive Director*)
Tan Keng Meng (*Group Chief Executive Officer*)
Kwek Leng Peck
Tan Saik Hock
Raja Dato' Seri Abdul Aziz bin Raja Salim
Ting Sii Tien @ Yao Sik Tien
Dato' Loh Cheng Yean (Resigned 8th January 2008)

BOOAD AUDIT & RISK MANAGEMENT COMMITTEE

Raja Dato' Seri Abdul Aziz bin Raja Salim (*Chairman*)
Tan Saik Hock
Datuk Dr. Hussein Awang
Dato' Loh Cheng Yean (Resigned 8th January 2008)

REMUNERATION & NOMINATION COMMITTEE

Datuk Dr. Hussein Awang (*Chairman*)
Kwek Leng Peck
Raja Dato' Seri Abdul Aziz bin Raja Salim

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
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
Tel: 605-2911011
Fax: 605-2919932

FINANCIAL HIGHLIGHTS

	6-month period ended 31.12.2007	Year Ended 30.6.2007 Restated	% Change
	RM'000	RM'000	
FINANCIAL DATA			
Revenue	203,000	320,847	-36.7
Profit before Taxation	45,603	87,797	-48.1
Net Assets	778,726	750,324	3.8
Total Assets	823,284	797,027	3.3
Capital Expenditure	18,808	30,768	-38.9
Depreciation	20,781	40,450	-48.6
Profit before Taxation as a percentage of Revenue	22.5%	27.4%	-17.9
Net Return on capital employed	4.8%	10.2%	-52.9
Earnings per share (sen)	20.2	41.4	-51.2
Total Dividends (incl. Preference Dividend)	9,602	10,698	-10.2
Dividend Rate (excl. Preference Dividend)	7.0%	8.0%	-12.5
Net Asset per share	RM4.21	RM4.06	3.7

FINANCIAL CALENDAR

Financial Period End	31 December
Announcement of 1st Quarter Results	25 October 2007
Closing of Record of Depositors for Final Dividend	15 November 2007
Date of Payment of Final Dividend for final year ended 30 June 2007	14 December 2007
Announcement of 2nd Quarter Results	21 February 2008
Issue of 6-Month Period Ended 31.12.2007 Annual Report	8 April 2008
Annual General Meeting	30 April 2008

PROFILE OF DIRECTORS

DATUK DR. HUSSEIN AWANG
(67 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 also Chairman of the Remuneration and Nomination Committee and a member of the Board Audit and Risk Management Committee.

Other Directorships:

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

Datuk Dr. Hussein attended all the two Board Meetings held during the financial period of six months ended 31st December 2007.

DATO' TEO TONG KOOI
(50 years of age – Malaysian)
Executive Director

Dato' Teo was appointed to the Board as Managing Director on 2 January 2003 and redesignated as Executive Director on 1 October 2004 due to his appointment as Chief Executive Officer of Hong Leong Asia Limited. He graduated with a B.Sc. in Marketing Management and a Masters in Business Administration from Golden Gate University, San Francisco, California, USA. He has also completed the Executive Programme at the Stanford University's Graduate School of Business in California, USA. As Executive Director, Dato' Teo continues to oversee the Company. He has 18 years of corporate and commercial banking experience with 12 years in senior management positions in which he was the Head of Corporate Banking, Deutsche Bank Malaysia and later Chief Operating Officer of Hong Leong Bank Malaysia.

Other Directorships:

He holds directorships within Tasek Corporation Berhad's group. He is presently Chief Executive Officer of Hong Leong Asia Limited and hold directorships within Hong Leong Asia Limited Group of Companies.

Dato' Teo attended all the two Board Meetings held during the financial period of six months ended 31st December 2007.

TAN KENG MENG
(49 years of age – Malaysian)
Group Chief Executive Officer

Mr. Tan joined the Company on 4 August 2005. He was appointed to the Board on 25 August 2005. He holds a Bachelor of Engineering and a Diploma in Business Studies. He has held senior positions for more than 16 years with extensive Malaysian and international experience. Prior to joining Tasek Corporation Berhad, he was Managing Director-Asia with Friction Material Pacific Group, a joint venture company between Honeywell and Pacifica.

Mr. Tan is deemed to have an interest in the shares of the Tasek Corporation Berhad by virtue of 200,000 options granted to him under the Company's Executive Share Option Scheme.

Other Directorships:

He holds directorships within Tasek Corporation Berhad's group

He attended all the two Board Meetings held during the financial period of six months ended 31st December 2007.

KWEK LENG PECK
(51 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 and Nomination 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.

Mr. Kwek attended all the two Board Meetings held during the financial period of six months ended 31st December 2007.

PROFILE OF DIRECTORS

TAN SAIK HOCK

(60 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 is a member of the Board Audit and Risk Management Committee.

Mr. Tan has direct interest of 785,317 shares and deemed interest of 405,302 shares in Tasek Corporation Berhad.

Other Directorships:

Managing Director of Wah Aik & Co Pte Ltd. He also holds directorships within Tasek Corporation Berhad's group.

Mr. Tan attended all the two Board Meetings held during the financial period of six months ended 31st December 2007.

RAJA DATO' SERI ABDUL AZIZ BIN RAJA SALIM

(69 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 an FCMA, FCCA, FMIT, a member of MIA and CA (Malaysia). He is Chairman of the Board Audit and Risk Management Committee and a member of the Remuneration and Nomination Committee.

Other Directorships:

Director of Camerlin Group Bhd, K&N Kenanga Holdings Bhd, K&N Kenanga Bhd, Jerneh Asia Bhd, Jerneh Insurance Bhd, Gamuda Berhad, Matsushita Electric Company (M) Berhad, PPB Group Bhd and Southern Steel Bhd.

Raja Dato' Seri Abdul Aziz attended all the two Board Meetings held during the financial period of six months ended 31st December 2007.

TING SII TIEN @ YAO SIK TIEN

(53 years of age – Malaysian/Singapore Permanent Resident)

Non Independent Non-Executive Director

Mr. Ting was appointed to the Board on 10 June 2005. He is a Chartered Accountant by training and an Associate member of the Institute of Chartered Accountants in England and Wales. Presently he is the Group Chief Financial Officer of Hong Leong Asia Ltd, which is listed on the Singapore Exchange.

Other Directorships:

Director of several companies within Hong Leong Asia Ltd.

Mr. Ting attended all the two Board Meetings held during the financial period of six months ended 31st December 2007.

Note:

Except as otherwise stated in the individual Directors' Profile, none of the Directors have interest in the securities of Tasek Corporation Berhad or its subsidiaries nor have any family relationship with any director and/or major shareholder of the company and have no conflict of interest with the company and no convictions for offences (other than traffic offences) within the past 10 years.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Accounts of Tasek Corporation Berhad (“the Company”) and its Group for the financial period of six months ended 31st December 2007. This reporting of the financial period arose from the change in the Company’s financial year end to 31st December from 30th June.

INDUSTRY TREND AND DEVELOPMENT

The demand for cement in Peninsular Malaysia is dependent mainly on the growth and health of the construction sector. According to Bank Negara Malaysia (the Central Bank), construction activities grew 4.7% for the third quarter of 2007 underpinned by implementation of various infrastructure projects under the Ninth Malaysia Plan (9MP). For the fourth quarter of 2007, the growth in the construction sector was sustained at 4.7%. The real gross domestic product (GDP) grew 7.3% in the fourth quarter of 2007 and for the whole year of 2007, the GDP growth was 6.3%.

Last year, the cement demand in Peninsular Malaysia declined slightly by 0.22% from the year 2006. However, with the commencement of several mega projects under the 9MP, we expect demand for cement in Peninsular Malaysia to see a growth of about 5% in 2008. Additionally, demand for cement may increase due to the rising momentum in infrastructure projects of the various newly launched regional economic development corridors, all of which are expected to boost the construction sector’s performance.

The Government’s decision to implement an automatic pricing mechanism (APM) to liberalise the pricing of cement augurs well for the cement industry given that the increase in costs has been absorbed by cement manufacturers. Under the APM for the price of cement which is to be announced, the controlled ceiling price of cement is expected to be reviewed and re-priced every quarter after taking into consideration the input costs of cement manufacturers to reflect market forces.

FINANCIAL PERFORMANCE

For the financial period ended 31st December 2007, the Group achieved profit after tax attributable to shareholders of RM37.5 million on total sales revenue of RM203 million. Shareholders’ funds grew by 3.8% to RM778.7 million. At Company level, the profit after tax attributable to shareholders was RM78.5 million. The profit achieved for the financial period was due to increased revenue attributed to improved delivery of product mix of sales of cement and clinker. Better productivity and cost containment also contributed to the better performance. Higher interest income and higher share of profit from the Company’s associated company, Cement Industries (Sabah) Sdn Bhd further increased the profit. During the financial year, the Company’s associated company, Cement Industries (Sabah) Sdn Bhd declared a special dividend. The net amount due to the Company in respect of dividend receivable amounts to RM47.8 million. The associated company declared this special dividend to maximise the use of its tax credits under the imputation system of taxation as there will be a change in the company tax system to single tier system with effect from the year of assessment 2008.

DIVIDENDS

For the financial period ended 31st December, 2007, the Board has decided not to recommend any dividend due to the short financial period arising from the change in financial year end to 31st December from 30th June.

CHAIRMAN'S STATEMENT



CHALLENGES AND PROSPECTS

The outlook for demand of cement looks bright with the expected commencement of projects under the 9MP and the regional economic development corridors. However, the Board foresees that the increase in fuel cost and the expected inflationary pressure on production cost would pose the greatest challenge for the Group and may have an impact on the results of the Group. The Company will continue its push for higher productivity and cost containment to mitigate this inflationary pressure. The Company's ready-mixed subsidiary, Tasek Concrete Sdn Bhd continues to grow its business and is on track with its expansion plan to take advantage of the expected commencement of the projects under the 9MP and the regional economic development corridors.

During the financial period, the Company has reached the final stage of certification for ISO 14001 and OHSAS 18001 in its efforts to step up its responsibility in its manufacturing footprints and to minimise any adverse impact on the environment and safety in its operations. The Company expects to complete the certifications in financial year 2008.

The 12th Collective Agreement with the Cement Industry Employees Union has been signed during the financial period and the Management continues to enjoy good and cordial relationship with the Union.

CHANGES IN BOARD OF DIRECTORS

Our Independent Non-Executive Director, Dato' Loh Cheng Yeap has resigned as a member of the Board of Directors of the Company. Together with the Board, I wish to express our sincere appreciation to Dato' Loh Cheng Yeap for her valuable contributions during her tenure with the Board.

ACKNOWLEDGEMENT

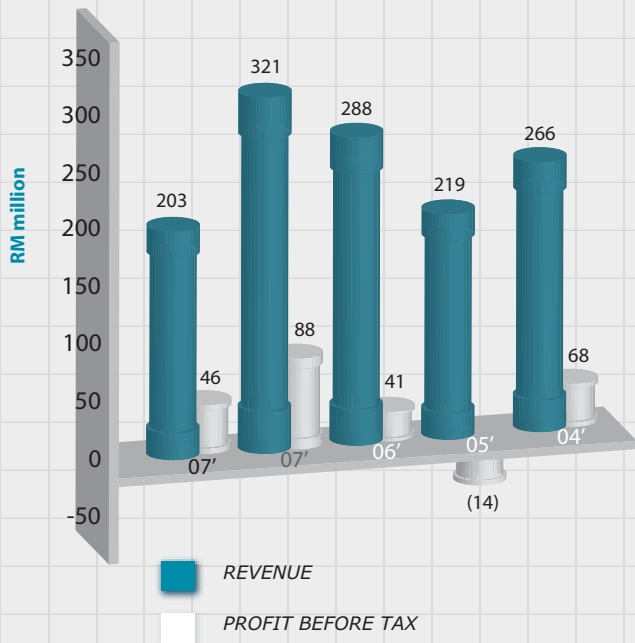
On behalf of the Board of Directors, I would like to thank our shareholders, investors, distributors, business partners, transporters, management and staff, bankers, the Union and other stakeholders for their valued support to the Company and the Group. We look forward to your continuing support to a more fruitful year ahead.

DATUK DR. HUSSEIN AWANG

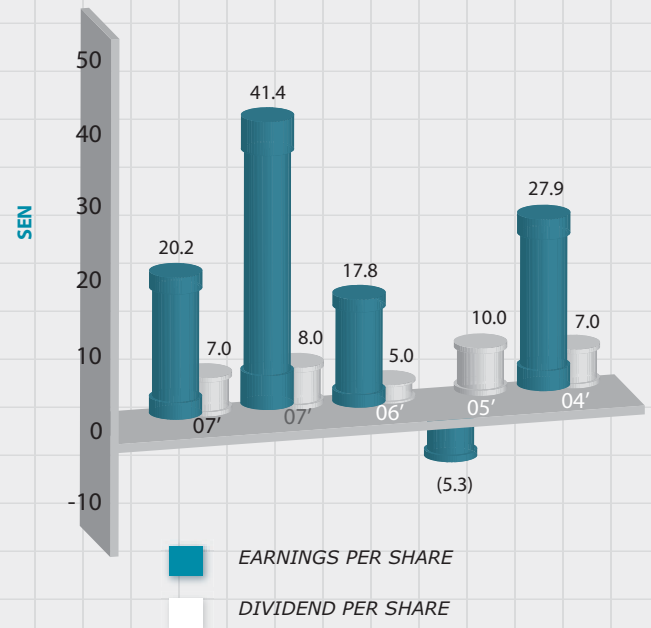
Independent Non-Executive Chairman
7th March 2008.

5 - YEARS FINANCIAL SUMMARY

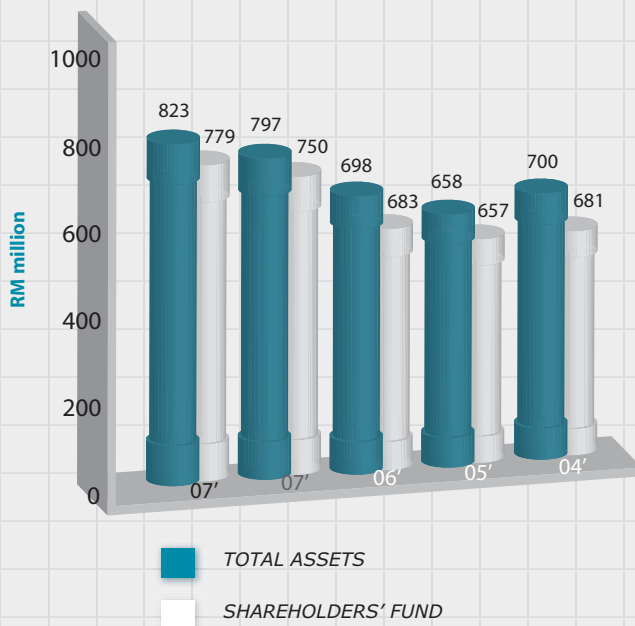
REVENUE & PROFIT BEFORE TAX



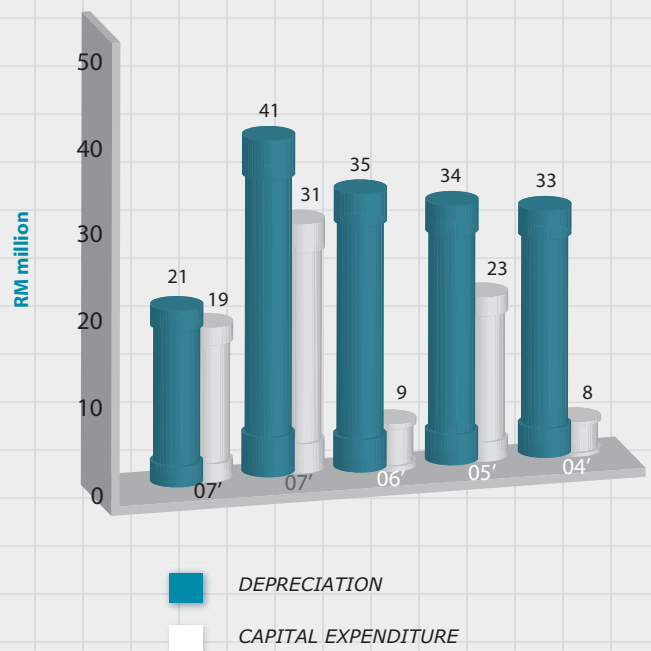
EARNINGS & DIVIDEND PER SHARE



TOTAL ASSETS & SHAREHOLDERS' FUND



DEPRECIATION & CAPITAL EXPENDITURE



5 YEARS FINANCIAL SUMMARY

	6-month period ended 31.12.2007	Year ended 30.6.2007 Restated	Year ended 30.6.2006 Restated	Year ended 30.6.2005 Restated	Year ended 30.6.2004 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000
Share Capital	184,935	184,747	184,277	184,264	184,162
Reserves +	593,791	565,577	499,238	473,067	496,533
Shareholders' Funds	778,726	750,324	683,515	657,331	680,695
Deferred Taxation assets +	(4,404)	(10,305)	(19,575)	(26,855)	(19,747)
Retirement Benefits	-	-	-	-	7,190
	774,322	740,019	663,940	630,476	668,138
Property, Plant & Equipment	384,807	389,296	404,537	435,649	447,346
Intangibles *	1,080	1,248	991	-	-
Prepaid Lease payments	5,891	5,943	-	-	-
Associated Company	33,903	76,857	71,799	69,549	73,516
Investments	3,936	4,005	13,550	13,379	10,251
Development Expenditure	37	37	121	121	102
Other Receivable	48,729	2,300	4,700	-	-
Current Assets	340,497	307,036	202,244	139,275	168,536
Current Liabilities	(44,558)	(46,703)	(34,002)	(27,497)	(31,613)
Net Current Assets	295,939	260,333	168,242	111,778	136,923
	774,322	740,019	663,940	630,476	668,138
Revenue	203,000	320,847	287,623	219,476	265,873
Result from operating activities	37,058	75,017	33,565	(18,990)	56,936
Finance Cost	(15)	(40)	-	-	(140)
Interest Income	3,684	4,709	2,456	1,945	1,263
Share of Profits of Associates*	4,876	8,111	5,191	2,491	9,847
Profit before Tax	45,603	87,797	41,212	(14,554)	67,906
Taxation *+	(8,152)	(11,586)	(8,399)	4,265	(16,648)
Profit after Tax	37,451	76,211	32,813	(10,289)	51,258
Total Dividends	9,602	10,698	6,655	13,283	9,273

Note:

* Comparative figures for Year ended 30.6.2006 and 30.6.2007 have been reclassified to conform with the new / revised FRS requirements on presentation.

+ The figures have been restated due to the change in accounting policy in recognition of deferred tax assets resulting from the unutilised reinvestment allowance that have been applied retrospectively.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board Audit and Risk Management Committee of Tasek Corporation Berhad comprise three members, two 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)
(Independent Non-Executive Director)
- 2) Tan Saik Hock (Non-Executive Director)
- 3) Datuk Dr. Hussein Awang (Independent Non-Executive Director)
- 4) Dato' Loh Cheng Yeap (Independent Non-Executive Director)
(Resigned 8th January 2008)

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, focusing particularly on:-
 - Any change in or implementation of major accounting policies and practices;
 - Significant changes and unusual events;
 - The going concern assumption; and
 - 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; and
 - Inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- (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 Board of Directors.
- (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 the 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 meeting, the Committee shall report and update the Board of Directors on significant issues and concerns discussed during the meeting and where appropriate, make necessary recommendations to the Board.

During the financial period ended 31st December 2007, the Committee held two 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	2/2
2) Tan Saik Hock	2/2
3) Datuk Dr. Hussein Awang	2/2
4) Dato' Loh Cheng Yean (Resigned 8th January 2008)	0/2

The Committee has carried out its duties as set out in its Terms of Reference during the financial period ended 31st December 2007. 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 the 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.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ('Board') is responsible for the corporate governance of the Company. Corporate Governance is a matter of high importance and is undertaken with due regard to not only the Company's shareholders but its stakeholders as well. The Board encourages and supports good corporate governance to be a fundamental part of the culture and business practices of the Company. It considers that the Company has, throughout the financial period, complied with the Malaysian Code on Corporate Governance ('Code').

Board Structure

The Company is headed by the Board that focuses, leads, strategise and controls the direction of the Company. It is also responsible for the Company's systems of internal control and risk management and for reviewing the effectiveness of those systems.

The Board operates as a single team. It has a balanced mix of executive, non-executive and independent non-executive directors so that there is no domination by a group or an individual in decision-making. The seven members of the Board comprise two independent non-executive directors, two executive directors and three non-executive directors. The Chairman of the Board is an independent non-executive director. The Independent Non-Executive Directors of the Board meets the criteria of the Code and the Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Securities'). One-third of the Board is made up of independent non-executive directors who provide and bring with them experience and independent judgement gained at the most senior levels.

There is a clear division of responsibilities between the Independent Non-Executive Chairman and the Executive Directors to ensure a balance of power and authority. The Independent Non-Executive Chairman heads the Board while the Group Chief Executive Officer reports to the Executive Director and takes on the primary responsibility of executive management as authorised by the Board and to oversee the operations of the Company. Datuk Dr. Hussein Awang, the Independent Non-Executive Chairman is also the Senior Independent Non-Executive Director to whom concerns on issues affecting the Company may be conveyed.

Together, the Board bring with them a wide range of experience of international business operations and strategy, marketing, financial, technical and international affairs necessary to ensure effective Board processes. A brief profile of each member of the Board is listed on pages 4 to 5 of the Annual Report.

The process of any appointment to the Board is fundamental towards enhancing governance. The Board's Remuneration and Nomination Committee comprising a majority of independent non-executive directors, is responsible for proposing and assessing directors to recommend to the Board, candidates for all directorships. Under the Company's Articles of Association, all members of the Board are required to retire by rotation once every three years. The members to retire in each year are the members who have been longest in office since their appointment or re-appointment.

The individual members of the Board have attended various seminars, forums, talks and other programmes to keep abreast with relevant developments in the business environment as well as new regulatory requirements in their capacity as a director on the Board of the Company or as a director of other companies or listed issuers both local and foreign. In addition, the Board is kept updated through internal circulars by the Company Secretary of relevant changes in regulatory requirements.

Meetings

The Board ordinarily meets four times per calendar year at quarterly intervals, with additional meetings convened when necessary. The meetings are scheduled at the beginning of the year. During the six months' financial period ended 31st December 2007, two meetings were convened and held. The attendance of each member of the Board is listed on the Director's Profile on page 4 and 5 of the Annual Report. There was a change of financial year end for the Company to 31st December from 30 June, hence the new financial period ended 31st December 2007 has a six-month financial period. During that financial period, one of the members of the Board was not able to attend the meetings of the Board. The member has since resigned as Director of the Company.

STATEMENT ON CORPORATE GOVERNANCE

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, a set of board papers is issued to all members of the Board prior to and in advance of each meeting. All members of the Board have access to all information of the Company and to the advice and services of the Company Secretary, and if need be, the Board can obtain independent professional or other advice from external resources at the cost of the Company.

Board Committees

To assist in the execution of the Board's responsibilities, the Board Audit and Risk Management Committee and the Remuneration Committee have long been established by the Board. The Remuneration Committee has been changed to the 'Remuneration and Nomination Committee' in October 2007 to take on the task of proposing and assessing candidates for directorships. The Board Audit and Risk Management Committee are made up wholly of non-executive directors with a majority of independent non-executive directors. The Chairman of the Board Audit and Risk Management Committee is an independent non-executive director.

Directors' Remuneration

The Remuneration and Nomination Committee was formed by the Board to evaluate and recommend to the Board the remuneration of the Executive Director, the Group Chief Executive Officer and remuneration of senior management members and the allocation of shares options under the existing Company's Executive Share Option Scheme. Determination of remuneration of Non-Executive Directors is a matter for the Board as a whole with the member of the Board concerned abstaining from deliberations and voting in respect of his/her own remuneration.

The aggregate remuneration of directors for the financial period is disclosed on page 67 of the financial statements in the Annual Report.

Shareholders

The Board acknowledges the need for shareholders and investors to be informed in a timely manner of all material information in relation to the Company. Various corporate announcements and timely release of quarterly financial results, the annual audited financial statements and annual report keep shareholders and investors fully informed about the performance and operations of the Company. The public, shareholders and investors can also access the Company's website at www.tasekcement.com through the internet for information of the Company and current and past records of its financial performance.

The Company's Annual General Meeting is an open forum for the Board and shareholders to communicate with each other. It presents an opportunity for shareholders to ask questions or seek clarification 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. The Company where it deems it practicable to do so will enter into a dialogue with its institutional shareholders based on mutual understanding of objectives and entertains visits from shareholders, other fund managers and or analysts.

Accountability and Audit

Responsibility statement by Directors on the preparation of the financial statements

The Board is required by law to prepare financial statements for each accounting period according to prescribed accounting standards where applicable that give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial period and of the results of the Group and of the Company for the period then ended.

STATEMENT ON CORPORATE GOVERNANCE

Accountability and Audit (Cont'd)

In preparing the financial statements, the Board has:

- adopted and consistently applied suitable accounting policies and any new prescribed standards;
- 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 Board is 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 relevant laws and regulations. The Board is further 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 Board Audit and Risk Management Committee during the financial period are set out in the Board Audit and Risk Management Committee's Report on pages 10 to 11 of the Annual Report.

The Committee maintains an appropriate relationship with the external auditors that is formal and transparent. 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 10 to 11 of the Annual Report. The Committee meets with the external auditors at least once a year without the executive management present. From time to time, the external auditors highlight matters that require attention to the Board Audit and Risk Management Committee and the Board.

Statement on Internal Control

The Statement on Internal Control, set out on pages 16 to 17 of the Annual Report, provides an overview of the Company's state of internal control. The Company's systems of internal control and risk management are designed to manage, rather than eliminate, the risk of failure to achieve business objectives; any system can provide only reasonable and not absolute assurance against material misstatement or loss.

STATEMENT ON CORPORATE GOVERNANCE

Material Contracts

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

Statement on Corporate Social Responsibility

The Company has and is practising corporate social responsibility towards its employees and workers and to the environment in line with its mission statement of "Tasek Cement will be the leader in the cement industry with best innovative value added solution enhancing all stakeholders' value, operating in harmony with the environment." The Company is in the final stages of certification towards ISO 14001 and OSHA 18001 in its efforts to step up its responsibility in its manufacturing footprints and to minimise any adverse impact on the environment and safety in its operations for its employees and workers as stakeholders. It is continuously exploring and procuring from companies to dispose of their waste products if found suitable for its cement manufacturing process. The Company is also concerned about dust emissions and heat generated by cement plants and is constantly upgrading its plant to reduce its carbon footprint and emissions. For instance, heat generated is recycled into the process of cement manufacturing and dust is reduced through its electronic precipitators. Additionally, the Company is producing blended cement for its bagged cement to reduce carbon emissions and is encouraging users to use blended cement. During the period, the Company also made some significant donations for charitable courses.

STATEMENT ON INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance requires public listed companies to maintain a sound system of internal controls to safeguard shareholders' investments and the Company's assets. Equally, under paragraph 15.27 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Securities'), the Board of Directors of public listed companies is required to include in its annual reports, a statement on the Company's state of internal control. The Board of Directors recognises its responsibilities for and the importance of sound internal controls. 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. This system covers not only financial controls but risk management, operational and compliance controls. It should be appreciated that, however effective a system is, it can only provide reasonable, not absolute, assurance against material misstatement, loss or irregularities. It should be further noted that such system is designed to manage, rather than eliminate, the risks of failure to achieve its 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 period 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 in accordance with Bursa Securities' Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Guidance"). Furthermore, the Board has continued to extend the risk management process to its significant associated company during the period.

Risk Management Framework

Part 2 of the Best Practices in the Malaysian Code on Corporate Governance states that the Board should identify principal risks and ensure the implementation of appropriate systems to manage these risks. The Board, in fulfilling its stewardship responsibilities, has established an organisation structure with clearly defined lines of accountability and delegated authority. The risk management functions and effectiveness of such controls were first formalised in May 2002. Each financial year, with the assistance of the Internal Audit Department, the Board undertook a review of its existing risk management processes and key components of its internal controls that were in place within the Company's various operating business units.

The Company took the following initiatives:

- The 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 organised to produce detailed risk registers for the Company's major business units, that have been categorised into strategic, operations, financial and knowledge risks;
- Key risks to each of the Company's 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;

STATEMENT ON INTERNAL CONTROL

- 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 at the Board Audit and Risk Management Committee Meeting 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 and Risk Management Committee and ultimately the Board for consideration; and
- 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 and Risk Management Committee.

Internal Audit Function

The Company has its own internal audit function, which provides reports to the Board Audit and 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 and 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 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 authority limits 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 reviews 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, whereby the operating units prepare budgets for the coming year which are then approved both at the 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 Executive Directors and key members of Management.

Weaknesses in internal controls that result in material losses

During the period, 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 ensure the ongoing effectiveness and adequacy of internal controls, so as to safeguard shareholders' investments and the Company's assets.

DIRECTORS' REPORT AND STATEMENT FOR THE 6-MONTH PERIOD ENDED 31 DECEMBER 2007

The Directors have pleasure in submitting their report, statement and the audited financial statements of the Group and of the Company for the 6-month period ended 31 December 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the manufacture and sale of cement and related products, while the principal activities of the subsidiaries are stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial period.

CHANGE OF ACCOUNTING YEAR END

During the financial period, the Company changed its financial year end from 30 June to 31 December.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit for the period	37,451	78,517

DIVIDENDS

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

	RM'000
Preference dividend of 6 sen less tax at 26%	22
Final dividend of 7 sen less tax at 26% on Cumulative Participating Preference Shares	26
Final dividend of 7 sen less tax at 26% on Ordinary Shares	9,554

The Directors do not recommend any dividend to be paid for the period under review.

RESERVES AND PROVISIONS

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

DIRECTORS

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

Datuk Dr. Hussein Awang
Dato' Teo Tong Kooi
Kwek Leng Peck
Tan Saik Hock
Raja Dato' Seri Abdul Aziz bin Raja Salim
Ting Sii Tien @ Yao Sik Tien
Tan Keng Meng
Dato' Loh Cheng Yean (resigned on 8.1.2008)

DIRECTORS' REPORT AND STATEMENT FOR THE 6-MONTH PERIOD ENDED 31 DECEMBER 2007

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 1.7.2007	Acquired	Disposed	At 31.12.2007
Tan Saik Hock	785,317	-	-	785,317

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 1.7.2007	Acquired	Disposed	At 31.12.2007
Tan Saik Hock	405,362	-	-	405,362

The Director who held office at 31 December 2007 and is deemed to have an interest in the shares of the Company by virtue of options granted to him pursuant to the Executive Share Option Scheme is as follows:

	Number of options over ordinary shares of RM1 each			
	At 1.7.2007	Granted	Exercised	At 31.12.2007
Tan Keng Meng	200,000	-	20,000	180,000

Other than as disclosed above, none of the other directors who held office at 31 December 2007 had any interest in the ordinary shares of the Company and of its related corporations during the financial period.

In accordance with the Articles of Association, Datuk Dr. Hussein Awang and Kwek Leng Peck retire by rotation from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

Since the end of the previous financial year, no Director of the Company has 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.

There were no arrangement during and at the end of the financial period which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate apart from the issue of the Executive Share Option Scheme.

ISSUE OF SHARES

During the financial period ended 31 December 2007, the Company issued 188,200 ordinary shares of RM1.00 each arising from the subscription of 188,200 ordinary shares of RM1.00 each under the Executive Share Option Scheme ("ESOS") at the option price of RM2.72 per share and RM2.97 per share for 168,200 and 20,000 shares respectively.

There were no other changes in the authorised, issued and paid-up capital of the Company during the financial period.

DIRECTORS' REPORT AND STATEMENT FOR THE 6-MONTH PERIOD ENDED 31 DECEMBER 2007

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the period apart from the issue of options pursuant to the ESOS.

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 RM1.00 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 31.12.2007
		Balance at 1.7.2007	Granted	Lapsed	Exercised	
5.8.2004	2.72	470,200	-	(2,400)	(168,200)	299,600
14.2.2007	2.97	200,000	-	-	(20,000)	180,000

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.

The salient features of the ESOS 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;

DIRECTORS' REPORT AND STATEMENT FOR THE 6-MONTH PERIOD ENDED 31 DECEMBER 2007

- (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 Securities relating thereto.

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.

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:-

- (i) all known bad debts have been written off and adequate provision made for doubtful debts; and
- (ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- (iii) which 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, or

DIRECTORS' REPORT AND STATEMENT FOR THE 6-MONTH PERIOD ENDED 31 DECEMBER 2007

(iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial period and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial period.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period 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 as and when they fall due.

In the opinion of the Directors:-

- (i) except for the effects arising from the change in accounting policies as disclosed in Note 31 to the financial statements, the results of the operations of the Group and of the Company for the financial period ended 31 December 2007 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 period and the date of this report, and
- (ii) the financial statements set out on pages 25 to 72, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2007 and of the results of their operations and cash flows for the period ended on that date.

AUDITORS

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

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

DATUK DR. HUSSEIN AWANG
CHAIRMAN

DATO' TEO TONG KOOI
EXECUTIVE DIRECTOR

Date: 21 February 2008

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 25 to 72 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 21 February 2008)
)

BEFORE ME:

J. KAMALA MAHLINI (A121)
Commissioner for Oaths
Ipoh, Perak Darul Ridzuan

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements set out on pages 25 to 72. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. 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 Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company at 31 December 2007 and the results of their operations and cash flows for the period 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.

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 Accountants

NG SWEE WENG
Partner
Approval Number: 1414/03/08 (J)/PH

IPOH

Date: 21 February 2008

BALANCE SHEETS AS AT 31 DECEMBER 2007

	Note	GROUP		COMPANY	
		31.12.2007 RM'000	30.6.2007 RM'000 Restated	31.12.2007 RM'000	30.6.2007 RM'000 Restated
Assets					
Property, plant and equipment	3	384,807	389,296	362,005	372,757
Intangible assets	4	1,080	1,248	691	859
Prepaid lease payments	5	5,891	5,943	5,891	5,943
Investments in subsidiaries	6	-	-	27,934	22,934
Investment in associates	7	33,903	76,857	20,392	20,392
Other investments	8	3,936	4,005	3,936	4,005
Development expenditure	9	37	37	-	-
Receivables, deposits and repayments	10	48,729	2,300	47,829	-
Deferred tax assets	11	4,404	10,305	4,755	10,460
Total non-current assets		482,787	489,991	473,433	437,350
Inventories	12	66,034	55,646	65,473	55,296
Receivables, deposits and repayments	10	62,188	48,215	52,168	42,650
Tax recoverable		129	67	-	-
Assets classified as held for sale	13	2,577	174	174	174
Cash and cash equivalents	14	209,569	202,934	207,777	200,563
Total current assets		340,497	307,036	325,592	298,683
Total assets		823,284	797,027	799,025	736,033
Equity					
Share capital	15	184,935	184,747	184,935	184,747
Reserves	15	261,455	261,090	261,455	261,090
Retained profits		332,336	304,487	318,562	249,647
Total equity attributable to shareholders of the Company		778,726	750,324	764,952	695,484
Liabilities					
Payables and accruals	16	43,456	45,520	33,219	40,401
Bank borrowings	17	-	927	-	-
Provision for taxation		1,102	256	854	148
Total current liabilities		44,558	46,703	34,073	40,549
Total equity and liabilities		823,284	797,027	799,025	736,033

The notes on pages 30 to 72 are an integral part of these financial statements.

INCOME STATEMENTS FOR THE 6-MONTH PERIOD ENDED 31 DECEMBER 2007

	Note	GROUP		COMPANY	
		6-month period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000 Restated	6-month period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000 Restated
Revenue	19	203,000	320,847	176,309	302,996
Cost of sales		(139,229)	(224,855)	(116,262)	(209,691)
Gross profit		63,771	95,992	60,047	93,305
Selling and distribution costs		(22,039)	(40,363)	(21,933)	(40,214)
Administrative expenses		(6,552)	(14,748)	(5,429)	(13,516)
Other operating income	10	1,878	34,136	67,305	37,521
Result from operating activities		37,058	75,017	99,990	77,096
Finance costs		(15)	(40)	-	-
Interest income		3,684	4,709	3,651	4,514
Operating profit	20	40,727	79,686	103,641	81,610
Share of profit after tax of equity accounted associates		4,876	8,111	-	-
Profit before tax		45,603	87,797	103,641	81,610
Tax expense	22	(8,152)	(11,586)	(25,124)	(12,086)
Profit for the period/year		37,451	76,211	78,517	69,524
Earnings per share (sen)					
Basic	23	20.24	41.37	42.45	37.68
Diluted	23	20.23	41.17	42.42	37.54
Gross dividend per share (sen)					
6% Cumulative Participating Preference Share	24	-	16.00	-	16.00
Ordinary Share	24	-	10.00	-	10.00

The notes on pages 30 to 72 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE 6-MONTH PERIOD ENDED 31 DECEMBER 2007

Note	<----- Non-distributable ----->				<- Distributable ->		
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Share Option reserve RM'000	General reserve RM'000	Retained profits RM'000	Total RM'000
GROUP							
At 1 July 2006, as previously restated	184,277	133,718	11,199	-	115,347	183,017	627,558
Prior year adjustment - changes in accounting policy to comply with FRS 112	-	-	-	-	-	55,957	55,957
At 1 July 2006, restated	184,277	133,718	11,199	-	115,347	238,974	683,515
Issue of shares:							
Exercise of options 15	470	808	-	-	-	-	1,278
Share-based payments 18	-	-	-	18	-	-	18
Profit for the year	-	-	-	-	-	76,211	76,211
Dividends 24	-	-	-	-	-	(10,698)	(10,698)
At 1 July 2007	184,747	134,526	11,199	18	115,347	304,487	750,324
Issue of shares:							
Exercise of options 15	188	328	-	-	-	-	516
Share-based payments 18	-	-	-	37	-	-	37
Profit for the period	-	-	-	-	-	37,451	37,451
Dividends 24	-	-	-	-	-	(9,602)	(9,602)
At 31 December 2007	184,935	134,854	11,199	55	115,347	332,336	778,726

Note 15

The notes on pages 30 to 72 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE 6-MONTH PERIOD ENDED 31 DECEMBER 2007

Note	<----- Non-distributable ----->				<- Distributable ->		
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Share option reserve RM'000	General reserve RM'000	Retained profits RM'000	Total RM'000
COMPANY							
At 1 July 2006							
Prior year adjustment - changes in accounting policy to comply with FRS 112	184,277	133,718	11,199	-	115,347	134,864	579,405
	-	-	-	-	-	55,957	55,957
At 1 July 2006, restated	184,277	133,718	11,199	-	115,347	190,821	635,362
Issue of shares:							
Exercise of options 15	470	808	-	-	-	-	1,278
Share-based payments 18	-	-	-	18	-	-	18
Profit for the year	-	-	-	-	-	69,524	69,524
Dividends 24	-	-	-	-	-	(10,698)	(10,698)
At 1 July 2007	184,747	134,526	11,199	18	115,347	249,647	695,484
Issue of shares:							
Exercise of options 15	188	328	-	-	-	-	516
Share-based payments 18	-	-	-	37	-	-	37
Profit for the period	-	-	-	-	-	78,517	78,517
Dividends 24	-	-	-	-	-	(9,602)	(9,602)
At 31 December 2007	184,935	134,854	11,199	55	115,347	318,562	764,952

Note 15

The notes on pages 30 to 72 are an integral part of these financial statements.

CASH FLOW STATEMENTS FOR THE 6-MONTH PERIOD ENDS 31 DECEMBER 2007

	Note	GROUP		COMPANY	
		6-month period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000	6-month period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000
Cash flows from operating activities					
Net cash from operating activities	25	34,702	88,903	30,240	88,406
Cash flows from investing activities					
Dividends received		10	3,256	10	3,256
Purchase of property, plant and equipment		(18,808)	(30,768)	(9,498)	(24,720)
Purchase of intangible assets		(19)	(242)	(19)	(242)
Addition to asset classified as held for sale		-	(3)	-	(3)
Additional investment/Acquisition of subsidiary, net of cash acquired		-	(1,783)	(5,000)	(6,334)
Proceeds from disposal of investments		567	40,478	567	40,478
Proceeds from disposal of property, plant and equipment		196	784	-	736
Net cash (used in)/from investing activities		(18,054)	11,722	(13,940)	13,171
Cash flows from financing activities					
(Repayment)/Drawdown of borrowings		(927)	427	-	-
Proceeds from issuance of shares		516	1,278	516	1,278
Dividends paid		(9,602)	(10,698)	(9,602)	(10,698)
Net cash used in financing activities		(10,013)	(8,993)	(9,086)	(9,420)
Net increase in cash and cash equivalents		6,635	91,632	7,214	92,157
Cash and cash equivalents at beginning of period/year		202,934	111,302	200,563	108,406
Cash and cash equivalents at end of period/year	14	209,569	202,934	207,777	200,563
Cash and cash equivalents:-					

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amount:

	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Short term deposits with licensed banks and financial institutions	205,270	193,794	205,270	193,144
Cash and bank balances	4,299	9,140	2,507	7,419
	209,569	202,934	207,777	200,563

The notes on pages 30 to 72 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2007

Tasek Corporation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal places of business are as follows:

Registered office

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

Principal places of business
Persiaran Tasek
Tasek Industrial Estate
31400 Ipoh

and

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

The consolidated financial statements of the Company as at and for the period ended 31 December 2007 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates. The financial statements of the Company as at and for the period ended 31 December 2007 do not include other entities.

The Company is principally engaged in the manufacture and sale of cement and related products activities while the principal activities of its subsidiaries and associates are as stated in Note 6 and Note 7 respectively.

The financial statements were approved by the Board of Directors on 21 February 2008.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The MASB has issued Financial Reporting Standard (FRS) 139, Financial Instruments: Recognition and Measurement. This standard has not been applied in preparing these financial statements as the effective date of this standard has yet to be announced.

The impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the standard.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2007

1. BASIS OF PREPARATION (Cont'd)

The effects of adopting the new/revised FRSs in 2007 are set out in Note 31.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the non-current asset held for sale which is explained in the accounting policy Note 2(j).

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM) which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are disclosed in the following notes:

- Note 13 - valuation of non-current asset held for sale.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities, except for the adoption of the following:

FRSs / Interpretations

FRS 107, Cash Flow Statements

FRS 112, Income Taxes

FRS 117, Leases

FRS 118, Revenue

FRS 124, Related Party Disclosures

FRS 134, Interim Financial Reporting

FRS 137, Provisions, Contingent Liabilities and Contingent Assets

IC Interpretation 8, Scope of FRS 2

In addition to the new policies and extended disclosures where required by these new/revised standards and Interpretation, the effects of the changes in accounting policies are disclosed in Note 31 to these financial statements.

Certain comparative amounts have been reclassified to conform to the current period's presentation (see Note 32).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Associates

Associates are entities in which the Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transaction.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

The closing rate used in translation of foreign currency monetary assets and liabilities at the balance sheet date are as follows:-

1 US dollar	:	RM3.31	(30.6.2007: 1 US dollar	:	RM3.42)
1 Euro	:	RM4.83	(30.6.2007: 1 Euro	:	RM4.61)

(c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Forward foreign exchange contracts are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

(d) Property, plant and equipment

(i) Recognition and measurement

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 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.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the income statement.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation recognised in the income statement on a straight line basis over their estimated useful lives of each part of an item of property, plant and equipment. Freehold land and capital work-in-progress are not depreciated.

The principal depreciation rates are as follows:-

Leasehold land	-	Amortised by equal annual instalments over the remaining life of the leases which vary between 24 and 76 years.
Buildings	-	4 - 5% per annum
Plant and machinery	-	6 - 50% per annum
Vehicles, furniture and equipment	-	20% per annum

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(e) Intangible assets

(i) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

With the adoption of FRS 3 beginning 1 July 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Intangible assets (Cont'd)

(i) Goodwill (Cont'd)

Goodwill is allocated to cash-generating units and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The entire carrying amount of the investment is tested for impairment when there is objective evidence of impairment.

(ii) Development expenditure

Development expenditure is stated at cost and is incurred in respect of preparation for an industrial development project. This amount will be amortised when the subsidiary commences the said project.

(iii) Other intangible assets

Intangible assets other than goodwill that are acquired by the Group are stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(v) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised at 20% per annum.

(f) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Leased assets (Cont'd)

The Group had previously classified a lease of land as finance lease and had recognised the amount of prepaid lease payments as property within its property, plant and equipment. On adoption of FRS 117, Leases, the Group treats such a lease as an operating lease, with the unamortised carrying amount classified as prepaid lease payments in accordance with the transitional provisions in FRS 117.67A.

The Group had previously revalued its leasehold land and has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provisions in FRS 117.67A. Such prepaid lease payments is amortised over the lease term.

(g) Investments in equity securities

Investments in equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition:

- Investments in non-current equity securities other than investments in subsidiaries and associates are stated at cost less allowance for diminution in value,
- All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investment in subsidiaries and associates, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

All investments in equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

- a) the recognition of an asset on the day it is received by the entity, and
- b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. 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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(j) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets are measured at the lower of their carrying amount and fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

(k) 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.

(l) Impairment

The carrying amounts of assets except for financial assets, inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Impairment (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss 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. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the income statement.

(m) Share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

(n) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the Employee's Provident Fund are charged to the income statement in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Share-based payment transactions

The share option scheme allows Group Executive Directors and eligible executives to acquire shares of the Company. The grant date fair value of share options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of employee stock options is measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk-free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(q) Income recognition

(i) Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration receivable, net of returns and commission, trade discounts and rebates 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, using the effective interest method.

(r) Tax expense

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Tax expense (Cont'd)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Finance costs

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred.

(t) Borrowings

Borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

(u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to eligible Directors and executives of the Group.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	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									
At 1 July 2006, as previously reported	35,805	8,060	147	189,790	533,768	6,603	12,632	14,533	801,338
Effect of adopting FRS 117	-	(8,060)	(147)	-	-	-	-	-	(8,207)
At 1 July 2006, restated	35,805	-	-	189,790	533,768	6,603	12,632	14,533	793,131
Acquisition through business combinations	-	-	-	-	724	104	12	-	840
Reclassify	-	-	-	-	(499)	-	499	-	-
Additions	-	-	-	279	7,303	286	5,884	17,016	30,768
Transfers	-	-	-	412	18,446	-	383	(19,241)	-
Disposals	(282)	-	-	-	(153)	(325)	-	-	(760)
Write off	-	-	-	-	-	-	(129)	-	(129)
At 30 June 2007/1 July 2007	35,523	-	-	190,481	559,589	6,668	19,281	12,308	823,850
Additions	-	-	-	132	4,976	319	2,392	10,989	18,808
Transfers	-	-	-	380	5,748	-	2,135	(8,263)	-
Disposals	-	-	-	-	(194)	-	(106)	-	(300)
Transfer to assets held for sale	(2,403)	-	-	-	-	-	-	-	(2,403)
At 31 December 2007	33,120	-	-	190,993	570,119	6,987	23,702	15,034	839,955

Analysis of Cost and Valuation at 30 June 2007

Valuation	24,755	-	-	53,251	-	-	-	-	78,006
Cost	10,768	-	-	137,230	559,589	6,668	19,281	12,308	745,844
31 December 2007	35,523	-	-	190,481	559,589	6,668	19,281	12,308	823,850
Valuation	24,755	-	-	53,251	-	-	-	-	78,006
Cost	8,365	-	-	137,742	570,119	6,987	23,702	15,034	761,949
	33,120	-	-	190,993	570,119	6,987	23,702	15,034	839,955

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

GROUP	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
Depreciation									
At 1 July 2006, as previously reported	-	2,067	93	87,744	292,210	5,891	8,796	-	396,801
Effect of adopting FRS 117	-	(2,067)	(93)	-	-	-	-	-	(2,160)
At 1 July 2006, restated	-	-	-	87,744	292,210	5,891	8,796	-	394,641
Charge for the year	-	-	-	7,504	30,145	245	2,556	-	40,450
Reclassify	-	-	-	-	(157)	-	157	-	-
Disposals	-	-	-	-	(122)	(287)	-	-	(409)
Write off	-	-	-	-	-	-	(128)	-	(128)
At 30 June 2007/1 July 2007	-	-	-	95,248	322,076	5,849	11,381	-	434,554
Charge for the period	-	-	-	3,762	15,380	132	1,507	-	20,781
Disposals	-	-	-	-	(150)	-	(37)	-	(187)
At 31 December 2007	-	-	-	99,010	337,306	5,981	12,851	-	455,148
Carrying amounts									
At 1 July 2006, restated	35,805	-	-	102,046	241,558	712	3,836	14,533	398,490
At 30 June 2007/ 1 July 2007	35,523	-	-	95,233	237,513	819	7,900	12,308	389,296
At 31 December 2007	33,120	-	-	91,983	232,813	1,006	10,851	15,034	384,807

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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
At 1 July 2006, as previously reported	25,933	8,060	147	189,316	533,659	6,481	12,608	14,533	790,737
Effect of adopting FRS 117	-	(8,060)	(147)	-	-	-	-	-	(8,207)
At 1 July 2006, restated	25,933	-	-	189,316	533,659	6,481	12,608	14,533	782,530
Additions	-	-	-	273	4,632	65	5,022	14,728	24,720
Disposals	(282)	-	-	-	-	(325)	-	-	(607)
Transfer	-	-	-	412	18,446	-	383	(19,241)	-
Write off	-	-	-	-	-	-	(129)	-	(129)
At 30 June 2007/1 July 2007	25,651	-	-	190,001	556,737	6,221	17,884	10,020	806,514
Additions	-	-	-	61	322	162	1,873	7,080	9,498
Transfers	-	-	-	380	3,493	-	2,135	(6,008)	-
At 31 December 2007	25,651	-	-	190,442	560,552	6,383	21,892	11,092	816,012

Analysis of Cost and Valuation at 30 June 2007

Valuation	19,975	-	-	53,251	-	-	-	-	73,226
Cost	5,676	-	-	136,750	556,737	6,221	17,884	10,020	733,288
31 December 2007	25,651	-	-	190,001	556,737	6,221	17,884	10,020	806,514
Valuation	19,975	-	-	53,251	-	-	-	-	73,226
Cost	5,676	-	-	137,191	560,552	6,383	21,892	11,092	742,786
	25,651	-	-	190,442	560,552	6,383	21,892	11,092	816,012

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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
Depreciation									
At 1 July 2006, as previously reported	-	2,067	93	87,516	292,127	5,798	8,773	-	396,374
Effect of adopting FRS 117	-	(2,067)	(93)	-	-	-	-	-	(2,160)
At 1 July 2006, restated	-	-	-	87,516	292,127	5,798	8,773	-	394,214
Charge for the year	-	-	-	7,485	29,921	197	2,355	-	39,958
Disposals	-	-	-	-	-	(287)	-	-	(287)
Write off	-	-	-	-	-	-	(128)	-	(128)
At 30 June 2007/1 July 2007	-	-	-	95,001	322,048	5,708	11,000	-	433,757
Charge for the period	-	-	-	3,751	15,000	91	1,408	-	20,250
At 31 December 2007	-	-	-	98,752	337,048	5,799	12,408	-	454,007
Carrying amounts									
At 1 July 2006, restated	25,933	-	-	101,800	241,532	683	3,835	14,533	388,316
At 30 June 2007/ 1 July 2007	25,651	-	-	95,000	234,689	513	6,884	10,020	372,757
At 31 December 2007	25,651	-	-	91,690	223,504	584	9,484	11,092	362,005

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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 period/year would be as follows:

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Freehold land	20,302	20,302	15,522	15,522
Buildings	27,606	28,108	27,606	28,108
	47,908	48,410	43,128	43,630

4. INTANGIBLE ASSETS

4.1 Computer software

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Cost				
Balance at 1 July 2007/2006	3,575	3,339	3,575	3,339
Addition	19	242	19	242
Written off	-	(6)	-	(6)
Balance at 31 December/30 June	3,594	3,575	3,594	3,575
Accumulated amortisation				
Balance at 1 July 2007/2006	2,716	2,348	2,716	2,348
Charge for the period/year	187	374	187	374
Written off	-	(6)	-	(6)
Balance at 31 December/30 June	2,903	2,716	2,903	2,716
Carrying amount	691	859	691	859

4.2 Goodwill

Cost/Carrying amount

Balance at 1 July	389	-	-	-
Acquisition through business combinations	-	389	-	-
Balance at 31 December	389	389	-	-
Total	1,080	1,248	691	859

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

4. INTANGIBLE ASSETS (Cont'd)

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

5. PREPAID LEASE PAYMENTS

GROUP/COMPANY

	<----- Leasehold land----->		
	Unexpired period less than 50 years RM'000	Unexpired period more than 50 years RM'000	Total RM'000
Cost			
At 1 July 2006	-	-	-
Effect of adopting FRS 117	147	8,060	8,207
At 1 July 2006, restated/30 June 2007	147	8,060	8,207
At 31 December 2007	147	8,060	8,207
Amortisation			
At 1 July 2006	-	-	-
Effect of adopting FRS 117	93	2,067	2,160
At 1 July 2006, restated	93	2,067	2,160
Amortisation for the year	5	99	104
At 30 June 2007/At 1 July 2007	98	2,166	2,264
Amortisation for the period	3	49	52
At 31 December 2007	101	2,215	2,316
Carrying amounts			
At 1 July 2006, restated	54	5,993	6,047
At 30 June 2007/1 July 2007	49	5,894	5,943
At 31 December 2007	46	5,845	5,891

The prepaid lease payments in respect of leasehold land with unexpired period of more than 50 years of the Company are shown at Director's valuation based on professional valuation made by a Chartered Surveyor, on the open market basis conducted in June 1985.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

6. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000
Unquoted shares at cost		
Balance at 1 July	22,934	22,934
Addition	5,000	-
Balance at 31 December	27,934	22,934

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

	Place of incorporation	Unquoted shares at cost		Principal activities
		31.12.2007 RM	30.6.2007 RM	
Posek Pembangunan Sdn Bhd	Malaysia	7,000,002	7,000,002	Intention-property development
Tasek Property Holdings Sdn Bhd (formerly known as Tasek Cement Manufacturing Sdn Bhd)	Malaysia	2	2	Dormant
Tasek Plantation Sdn Bhd	Malaysia	9,600,002	9,600,002	Land cultivation, plantation and estate management
Tasek Concrete Sdn Bhd	Malaysia	11,334,251	6,334,251	Manufacture and trading of ready- mixed concrete

7. INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Unquoted shares at cost	21,592	21,592	21,592	21,592
Add: Group's share of post acquisition reserves	13,511	56,465	-	-
Less: Allowance for diminution in value	(1,200)	(1,200)	(1,200)	(1,200)
	33,903	76,857	20,392	20,392
Represented by: Group's share of net assets other than goodwill	33,903	76,857		

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

7. INVESTMENTS IN ASSOCIATES (Cont'd)

The Group's share of net assets as at 31 December 2007 is net of dividend receivable from Cement Industries (Sabah) Sdn Bhd of RM47,829,600 (30.6.2007: RM3,053,400).

The associated companies, all incorporated in Malaysia, are:

	Group's Equity Interest		Financial period	Principal Activities
	31.12.2007	30.6.2007		
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.

The Group's share of post-acquisition reserves of associated companies is included in the consolidated financial statements and is based on unaudited management accounts and adjusted to the latest audited financial statements.

Summary financial information on associates:

GROUP

	Revenues (100%) RM'000	Profit/(Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
31.12.2007				
Cement Industries (Sabah) Sdn Bhd	154,143	21,906	255,734	183,509
Padu-Wangsa Sdn Bhd	-	59	48,769	6,543
	<hr/> 154,143	<hr/> 21,965	<hr/> 304,503	<hr/> 190,052
30.6.2007				
Cement Industries (Sabah) Sdn Bhd	258,303	27,013	245,889	30,442
Padu-Wangsa Sdn Bhd	-	24	48,769	6,587
	<hr/> 258,303	<hr/> 27,037	<hr/> 294,658	<hr/> 37,029

Contingent liabilities

There is no share of associates' contingent liabilities incurred jointly with other investors.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

8. OTHER INVESTMENTS

	GROUP/COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000
Shares – at cost		
In Malaysian quoted corporations	-	69
In Malaysian unquoted corporation	3,936	3,936
	<hr/>	<hr/>
	3,936	4,005
	<hr/>	<hr/>
Investment properties – at cost		
Less: Effect of adopting FRS 5	-	171
- Transfer to assets classified as held for sale (Note 13)	-	(171)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	3,936	4,005

The market value of the quoted investment is shown in Note 30.

9. DEVELOPMENT EXPENDITURE

	GROUP	
	31.12.2007 RM'000	30.6.2007 RM'000
Balance at 1 July 2007/2006	37	121
Written off during the period/year	-	(84)
	<hr/>	<hr/>
Balance at 31 December/30 June	37	37

10. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	GROUP		COMPANY	
		31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Non-current					
Non-trade					
Other receivables		900	2,300	-	-
Amount due from associate		47,829	-	47,829	-
		<hr/>	<hr/>	<hr/>	<hr/>
		48,729	2,300	47,829	-

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

10. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

Current	Note	GROUP		COMPANY	
		31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Trade					
Trade receivables		56,264	44,095	31,087	32,034
Allowance for doubtful debts		(3,342)	(3,600)	(3,342)	(3,600)
		52,922	40,495	27,745	28,434
Trade receivables owing by					
- subsidiaries	(a)	-	-	13,258	5,744
- associates		2,178	2,108	2,178	2,108
		55,100	42,603	43,181	36,286
Non-trade					
Amounts due from subsidiaries	(b)	-	-	4,962	3,194
Amount due from associate		-	4	-	4
Other receivables		6,985	5,142	3,922	2,913
Deposits		88	209	88	77
Prepayments		15	257	15	176
		7,088	5,612	8,987	6,364
		62,188	48,215	52,168	42,650

The currency profile of trade receivables are as follows:-

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Ringgit Malaysia	53,755	43,303	28,578	31,242
US Dollar	2,034	487	2,034	487
Singapore Dollar	475	305	475	305
	56,264	44,095	31,087	32,034

Other receivables

Included in other receivables of the Group is the balance of the sales proceeds of RM3,300,000 (30.6.2007: RM4,500,000) from the sale of freehold land by a subsidiary company to a developer for commercial development and/or housing scheme. This amount is repayable by 15 (30.6.2007: 21) monthly instalments of RM200,000 and a final instalment of RM300,000.

Amounts due from subsidiary companies

- (a) The trade receivables due from the wholly-owned subsidiaries are subject to the normal credit terms.
- (b) The amounts due from the wholly-owned subsidiaries are interest free, unsecured and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

10. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

Amounts due from associates

The amount due from associate of RM47,829,600 is in respect of dividend receivable from Cement Industries (Sabah) Sdn Bhd. The amount is interest free, unsecured and terms of repayment has not been confirmed by the Board of Cement Industries (Sabah) Sdn Bhd at the date of issuance of this report. The dividend was declared by the associate so as to utilise its available S108 tax credit balance in full before the change to the single tier tax system from 2008 onwards.

11. DEFERRED TAXATION

Recognised deferred tax assets and liabilities

Deferred tax assets/(liabilities) are attributable to the following:

GROUP	Assets		Liabilities		Net	
	31.12.2007 RM'000	30.6.2007 RM'000 Restated	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000 Restated
Property, plant and equipment	-	9,513	(51,042)	(56,398)	(51,042)	(46,885)
Unabsorbed reinvestment allowances	54,610	56,207	-	-	54,610	56,207
Allowance for doubtful debts	836	983	-	-	836	983
Tax assets/(liabilities)	55,446	66,703	(51,042)	(56,398)	4,404	10,305
Set off of tax	(51,042)	(56,398)	51,042	56,398	-	-
Net tax assets/(liabilities)	4,404	10,305	-	-	4,404	10,305
COMPANY						
Property, plant and equipment	-	9,287	(50,691)	(56,000)	(50,691)	(46,713)
Unabsorbed reinvestment allowances	54,610	56,207	-	-	54,610	56,207
Allowance for doubtful debts	836	966	-	-	836	966
Tax assets/(liabilities)	55,446	66,460	(50,691)	(56,000)	4,755	10,460
Set off of tax	(50,691)	(56,000)	50,691	56,000	-	-
Net tax assets/(liabilities)	4,755	10,460	-	-	4,755	10,460

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2007

11. DEFERRED TAXATION (Cont'd)

Movement in recognised deferred tax assets/(liabilities) during the period/year

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Balance at 1 July 2007/2006, previously stated	10,305	(36,382)	10,460	(36,312)
Effect of adopting FRS 112	-	55,957	-	55,957
Balance at 1 July 2007, restated	10,305	19,575	10,460	19,645
Recognised in the income statement (Note 22)	(5,901)	(9,270)	(5,705)	(9,185)
Balance at 31 December/30 June	4,404	10,305	4,755	10,460

12. INVENTORIES

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Finished goods	3,272	2,530	3,272	2,530
Work-in-progress	4,735	5,438	4,735	5,438
Raw materials	4,093	4,122	4,093	3,818
Consumable stores	53,934	43,556	53,373	43,510
	66,034	55,646	65,473	55,296

Work-in-progress of RM2.1 million (30.6.2007: RM2.5 million) of the Group and of the Company are carried at net realisable value.

13. ASSETS CLASSIFIED AS HELD FOR SALE

	GROUP/COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000
Balance at 1 July	174	-
Effect of adopting FRS 5		
- Transfer from other investments (Note 8)	-	171
Additions	-	3
Transfer from property, plant and equipment (Note 3)	2,403	-
Balance at 31 December/30 June	2,577	174

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

14. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Deposits are placed with:				
licensed banks	173,089	117,640	173,089	116,990
financial institutions	32,181	76,154	32,181	76,154
	205,270	193,794	205,270	193,144
Cash and bank balances	4,299	9,140	2,507	7,419
	209,569	202,934	207,777	200,563

15. CAPITAL AND RESERVES

Share capital

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 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 2007/2006	184,247	183,777	184,247	183,777
Issue during the period/year arising from Executive Share Option Scheme	188	470	188	470
As at 31 December/30 June	184,435	184,247	184,435	184,247
	184,935	184,747	184,935	184,747

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

15. CAPITAL AND RESERVES (Cont'd)

During the financial period ended 31 December 2007, the Company issued 188,200 ordinary shares of RM1.00 each arising from the subscription of 188,200 ordinary shares of RM1.00 under the Executive Share Option Scheme ("ESOS") at the option price of RM2.72 per share and RM2.97 per share for 168,200 and 20,000 shares respectively.

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.

General reserve

General reserve was transferred from retained profits in previous years.

Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained profits.

Section 108 tax credit

Subject to agreement by the Inland Revenue Board, 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 31 December 2007 without incurring additional taxation.

The Company also has approximately RM69,483,000 (30.6.2007: RM64,083,000) of 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 - 31 DECEMBER 2007

16. PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Trade				
Trade payables	27,145	18,799	17,005	13,865
Non-trade				
Amount due to a subsidiary	-	-	3,018	1,624
Other payables	10,881	22,057	10,397	22,045
Accruals	5,430	4,664	2,799	2,867
	16,311	26,721	16,214	26,536
Total	43,456	45,520	33,219	40,401

The amount due to subsidiary is interest free, unsecured and under normal credit terms.

17. BANK BORROWINGS

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Bankers' acceptance (unsecured)	-	927	-	-

The bank facilities were subject to the fulfilment of the following significant covenants:

- (i) No dilution or divestment in present 100% shareholding of Tasek Corporation Berhad in Tasek Concrete Sdn Bhd without the Bank's prior consent.
- (ii) Gearing and minimum Interest Cover Ratio of 2:1 at all times.

The banker's acceptance bore interest ranging from 0.5% to 1.0% per annum above the bank's base lending.

18. EMPLOYEE BENEFITS

Share-based payments

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. A share option arrangement granted before 1 January 2005 exist. As allowed by the transitional provisions in FRS 2, the recognition and measurement principles in FRS 2 have not been applied to this grant.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

18. EMPLOYEE BENEFITS (Cont'd)

Share-based payments (Cont'd)

Movements in the number of share options held by employees are as follows:

	GROUP/COMPANY	
	31.12.2007	30.6.2007
	'000	'000
Outstanding at 1 July	670	956
Granted	-	200
Exercised	(188)	(470)
Lapsed	(2)	(16)
	<hr/>	<hr/>
Outstanding at 31 December	480	670

	GROUP/COMPANY	
	31.12.2007	30.6.2007
Details of share options granted during the period/year:-		
Expiry date	-	7 March 2011
Exercise price per ordinary share (RM)	-	2.97
Aggregate proceeds if shares are issued (RM'000)	-	594

Details of share options exercised during the period/year:-		
Expiry date	4 August 2009	4 August 2009
Option price per ordinary share (RM)	2.72	2.72
Aggregate issue proceeds (RM'000)	1,278	1,278
Fair value at date of issue (RM'000)	1,834	1,738

Terms of the options outstanding at 31 December 2007:

Expiry date	Option price RM	Number
4 August 2009*	2.72	299,600
7 March 2011	2.97	180,000

* The recognition and measurement principles in FRS 2 have not been applied to this grant as it was granted prior to the effective date of FRS 2.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

18. EMPLOYEE BENEFITS (Cont'd)

The Group received proceeds of RM516,000 in respect of the 188,200 options exercised during the period ended 31 December 2007, RM188,200 was credited to share capital and RM327,800 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 fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a binomial lattice model, with the following inputs:

	On 14 February 2007	
	31.12.2007 RM'000	30.6.2007 RM'000
Fair value of share options and assumptions		
Fair value at grant date	RM0.18	
Weighted average share price	RM3.11	
Exercise price	RM2.97	
Expected volatility	18.0%	
Option life	3.4 years	
Expected dividends	2.75%	
Risk-free interest rate (based on Malaysian government bonds)	3.63%	
	<hr/>	
Employee expenses		
Total expenses recognised as share-based payments for share options granted in 2007	37	18
	<hr/>	

19. REVENUE

Revenue represents the net invoiced value of cement and related products, net of commission and fresh fruit bunches sold, less returns and rebates.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

20. OPERATING PROFIT

Operating profit is arrived at:-

	Note	GROUP		COMPANY	
		Period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000	Period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000
After charging:-					
Auditors' remuneration:					
- Statutory audit by KPMG		43	51	33	40
- Other services by KPMG		15	37	15	37
Allowance for doubtful debts		-	3,105	-	3,038
Amortisation of intangible assets	4	187	374	187	374
Amortisation of prepaid lease payments	5	52	104	52	104
Depreciation of property, plant and equipment	3	20,781	40,450	20,250	39,958
Development expenditure written off		-	84	-	-
Interest expense		15	40	-	-
Personnel expenses (including key management personnel):					
- contribution to EPF		1,300	2,037	1,187	1,907
- share-based payments		37	18	37	18
- wages, salaries and others		10,982	19,998	9,391	18,344
Plant and equipment written off		-	1	-	1
Rental of machinery		429	1,442	429	1,156
Replanting expenditure		-	143	-	-
and crediting:-					
Bad debts recovered		265	-	258	-
Gain on disposal of investments		498	31,104	498	31,104
Gain on disposal of property, plant and equipment		82	433	-	416
Gross dividends received from associates					
- unquoted	10	-	-	65,520	4,200
Gross dividends received from investments					
- quoted overseas		-	178	-	178
- quoted in Malaysia		13	83	13	83
Over accrual of quit rent written back		-	805	-	-
Rental income		494	892	494	892
Rental of equipment		2	8	-	-

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

21. KEY MANAGEMENT PERSONNEL COMPENSATION

	GROUP		COMPANY	
	Period ended	Year ended	Period ended	Year ended
	31.12.2007	30.6.2007	31.12.2007	30.6.2007
	RM'000	RM'000	RM'000	RM'000
Directors				
- Fees - non-executive directors	197	324	197	324
- executive directors	20	115	20	30
- Salaries - executive directors	252	500	252	500
- Bonuses and allowances				
- executive directors	116	134	116	134
- Consultancy fees paid to former Directors of a subsidiary	-	54	-	-
- Share-based payments - executive director	37	18	37	18
Total short-term employee benefits	622	1,145	622	1,006
Other key management personnel:				
- Short term employee benefits	559	752	510	752
	1,181	1,897	1,132	1,758

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The estimated monetary value of Directors' benefits-in-kind is RM28,316 (30.6.2007: RM41,658).

22. TAX EXPENSE

Recognised in the income statement

	GROUP		COMPANY	
	Period ended	Year ended	Period ended	Year ended
	31.12.2007	30.6.2007	31.12.2007	30.6.2007
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Current tax expense				
Current period/year	2,237	2,092	19,405	2,622
Prior year	14	224	14	279
	2,251	2,316	19,419	2,901

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

22. TAX EXPENSE (Cont'd)

Recognised in the income statement

	GROUP		COMPANY	
	Period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000 Restated	Period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000 Restated
Deferred tax expense				
Origination and reversal of temporary differences	7,344	11,825	7,140	11,730
Effect of changes in tax rate	(1,443)	(2,555)	(1,435)	(2,545)
	5,901	9,270	5,705	9,185
Tax expense	8,152	11,586	25,124	12,086
Share of tax on equity accounted associates	1,713	2,334	-	-
Total tax expense recognised	9,865	13,920	25,124	12,086

The Group and the Company has unabsorbed reinvestment allowances amounting to RM218,400,000 (30.6.2007: RM224,000,000), subject to agreement by the Inland Revenue Board.

Reconciliation of effective tax rate/expense:

GROUP

	Period ended 31.12.2007 %	Period ended 31.12.2007 RM'000	Year ended 30.6.2007 %	Year ended 30.6.2007 RM'000 Restated
Profit for the period/year		37,451		76,211
Total tax expense		9,865		13,920
Profit before taxation	100	47,316	100	90,131
Income tax using Malaysian tax rate	26.0	12,302	27.0	24,335
Effect of change in tax rate *	(3.0)	(1,962)	(2.8)	(2,555)
Non-deductible expenses	1.0	318	0.1	107
Non-taxable income	-	(130)	(10.0)	(9,033)
Other items	(6.0)	(670)	1.2	842
Under provision in prior years	-	7	0.2	224
Tax expense	18.0	9,865	15.7	13,920

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

22. TAX EXPENSE (Cont'd)

Reconciliation of effective tax rate/expense:

	Period ended 31.12.2007 %	Period ended 31.12.2007 RM'000	Year ended 30.6.2007 %	Year ended 30.6.2007 RM'000 Restated
COMPANY				
Profit before taxation	100	103,641	100	81,610
Income tax using Malaysian tax rate	26.0	26,948	27.0	22,035
Effect of change in tax rate*	(1.0)	(1,435)	(3.1)	(2,545)
Non-deductible expenses	-	360	(0.1)	52
Non-taxable income	-	(130)	(10.5)	(8,559)
Other items	(1.0)	(633)	1.3	824
Under provision in prior years	-	14	0.3	279
Tax expense	24.0	25,124	14.9	12,086

* With effect from year of assessment 2007, corporate tax rate is at 27%. The Malaysian Budget 2007 also announced the reduction of corporate tax rate to 26% in 2008. Consequently deferred tax assets and liabilities are measured using these tax rates.

23. EARNINGS PER SHARE

Basic earnings per share

The earnings per share is calculated by dividing the Group's profit after taxation of RM37,451,000 (30.6.2007: RM76,211,000) and the Company's profit after taxation of RM78,517,000 (30.6.2007: RM69,524,000) and deducting preference dividend of RM22,000 (30.6.2007: RM22,000) and the proportion of profit attributable to preference shareholders of RM101,000 (30.6.2007: RM206,000) for the Group and RM212,000 (30.6.2007: RM187,000) for the Company by the weighted average number of ordinary shares in issue during the period/year of 184,407,000 (30.6.2007: 183,886,000).

Diluted earnings per share

The diluted earnings per share is calculated by dividing the Group's profit after taxation of RM37,451,000 and the Company's profit after taxation of RM78,517,000 and deducting preference dividend of RM22,000 and the proportion of profit attributable to preference shareholders of RM101,000 for the Group and RM212,000 for the Company by the weighted average number of ordinary shares (diluted) during the period of 184,540,000 as calculated below:

Weighted average number of ordinary shares as above	184,407,000
Effect of share options	133,000
Weighted average number of ordinary shares (diluted)	184,540,000

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

24. DIVIDENDS

Dividends recognised in the current period/year by the Company are:

	Sen per share (Net of tax)	Total amount RM'000	Date of payment
31.12.2007			
Final 30.6.2007 ordinary	5.18	9,554	14.12.2007
Final 30.6.2007 preference	4.44	22	14.12.2007
Final 30.6.2007 cumulative participating preference	5.18	26	14.12.2007
Total amount		9,602	
30.6.2007			
Interim 30.6.2007 ordinary	2.19	4,032	11.5.2007
Interim 30.6.2007 cumulative participating preference	2.19	11	11.5.2007
Final 30.6.2006 ordinary	3.60	6,615	15.12.2006
Final 30.6.2006 preference	4.32	22	15.12.2006
Final 30.6.2006 cumulative participating preference	3.60	18	15.12.2006
Total amount		10,698	

25. NOTES TO THE CASH FLOW STATEMENTS

	GROUP		COMPANY	
	Period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000	Period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000
Profit before tax				
Adjustments for:-	45,603	87,797	103,641	81,610
Amortisation of intangible assets	187	374	187	374
Amortisation of prepaid lease payments	52	104	52	104
Depreciation of property, plant and equipment	20,781	40,450	20,250	39,958
Development expenditure written off	-	84	-	-
Dividend income	(13)	(261)	(65,533)	(4,462)
Gain on disposal of quoted investments	(498)	(31,104)	(498)	(31,104)
Gain on disposal of property, plant and equipment	(82)	(433)	-	(416)
Interest income	(3,684)	(4,709)	(3,651)	(4,514)
Finance costs	15	40	-	-
Plant and equipment written off	-	1	-	1
Profit retained in associates	(4,876)	(8,111)	-	-
Share-based payments	37	18	37	18
	11,919	(3,547)	(49,156)	(41)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

25. NOTES TO THE CASH FLOW STATEMENTS (Cont'd)

	GROUP		COMPANY	
	Period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000	Period ended 31.12.2007 RM'000	Year ended 30.6.2007 RM'000
Operating profit before changes in working capital	57,522	84,250	54,485	81,569
Changes in receivables, deposits and prepayments	(12,572)	(8,109)	(9,518)	(3,485)
Changes in inventories	(10,388)	(1,074)	(10,177)	(878)
Changes in payables	(2,064)	10,513	(7,182)	7,589
Cash generated from operations	32,498	85,580	27,608	84,795
Interest received	3,684	4,709	3,651	4,514
Taxation paid	(1,465)	(1,346)	(1,019)	(903)
Finance costs	(15)	(40)	-	-
	2,204	3,323	2,632	3,611
Net cash from operating activities	34,702	88,903	30,240	88,406

26. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000	31.12.2007 RM'000	30.6.2007 RM'000
Capital expenditure commitments				
Plant and equipment				
Contracted but not provided for and payable	21,670	8,057	21,670	8,057
Authorised but not contracted for	450	8,930	450	5,750
	22,120	16,987	22,120	13,807

27. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

27. RELATED PARTIES (Cont'd)

Related party transactions

The significant related party transactions of the Group and the Company, other than key management personnel compensation, are as follows:-

	GROUP Transactions amount for 6-month period ended RM'000	COMPANY Transactions amount for 6-month period ended RM'000	Gross balance outstanding at RM'000	Net balance outstanding at RM'000
31.12.2007				
Subsidiaries				
Sales of cement	-	21,078	15,986	13,258
Related companies				
Raw coal freight	1,293	1,293	137	137
Raw coal handling charges	743	743	-	-
Gypsum freight	422	422	24	24
Clinker freight & handling charges	2,084	2,084	-	-
Cement freight	3,853	3,853	1,531	1,531
	8,395	8,395	1,692	1,692
Less: Stacking charges	(46)	(46)	-	-
	8,349	8,349	1,692	1,692
Rental of Lumut jetty	391	391	-	-
Rental of office lot	25	25	-	-
Fire, Group personal accident, cargo public liability, motor vehicle, electrical equipment, cash-in-transit, erection all risk, etc	61	61	-	-
Security service	38	38	38	38
Maintenance fees for company register	9	9	4	4
Maintenance fees - Administering company's (ESOS)	9	9	5	5
Plant rental for Petaling Jaya	144	-	-	-
Sales of cement	28,873	28,873	6,692	6,357

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

27. RELATED PARTIES (Cont'd)

	GROUP Transactions amount for 6-month period ended RM'000	COMPANY Transactions amount for 6-month period ended RM'000	Gross balance outstanding at RM'000	Net balance outstanding at RM'000
31.12.2007				
Associated companies				
Sales of clinker	928	928	-	-
Sales of cement	10,640	10,640	-	-

	GROUP Transactions amount for year ended RM'000	COMPANY Transactions amount for year ended RM'000	Gross balance outstanding at RM'000	Net balance outstanding at RM'000
30.6.2007				

Significant investor that has influence over the Group

Sales of cement	71	71	-	-
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Subsidiaries

Sales of cement	-	11,290	7,525	5,743
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Related companies

Raw coal freight	2,421	2,421	158	158
Raw coal handling charges	809	809	-	-
Gypsum freight	540	540	51	51
Clinker freight & handling charges	3,040	3,040	-	-
Cement freight	5,846	5,846	2,178	2,178
	12,656	12,656	2,387	2,387
Less: Stacking charges	(78)	(78)	-	-
	12,578	12,578	2,387	2,387
Rental of Lumut jetty	658	658	-	-
Rental of office lot	58	58	-	-

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

27. RELATED PARTIES (Cont'd)

	GROUP Transactions amount for year ended RM'000	COMPANY Transactions amount for year ended RM'000	Gross balance outstanding at RM'000	Net balance outstanding at RM'000
30.6.2007				
Fire, Group personal accident, cargo public liability, motor vehicle, electrical equipment, cash-in-transit, erection all risk, etc	107	107	1	1
Security service	75	75	6	6
Maintenance fees for company register	18	18	4	4
Maintenance fees - Administering company's (ESOS)	18	18	5	5
Plant rental for Petaling Jaya	185	-	-	-
Sales of cement	53,557	53,557	7,920	7,374
Associated companies				
Sales of clinker	8,241	8,241	-	-
Sales of cement	8,807	8,807	2,100	2,100

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 - 31 DECEMBER 2007

28. DIRECTORS' REMUNERATION

Directors' remuneration for the period ended 31 December 2007 in successive bands of RM50,000 are as follows:-

Directors' remuneration	<----- Number of Directors ----->			
	Executive directors	Non- executive directors	Period ended 31.12.2007	Total Year ended 30.6.2007
RM0 to RM50,000	-	6	6	5
RM50,001 to RM100,000	1	-	1	2
RM100,001 to RM150,000	-	-	-	1
RM150,001 to RM200,000	-	-	-	-
RM200,001 to RM250,000	-	-	-	-
RM250,001 to RM300,000	-	-	-	-
RM300,001 to RM350,000	1	-	1	-
RM350,001 to RM400,000	-	-	-	-
RM400,001 to RM450,000	-	-	-	-
RM450,001 to RM500,000	-	-	-	-
RM500,001 to RM550,000	-	-	-	-
RM550,001 to RM600,000	-	-	-	-
RM600,001 to RM650,000	-	-	-	1
	2	6	8	9

29. SEGMENTAL INFORMATION

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

30. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Exposure to credit, currency and interest rate risks 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

30. FINANCIAL INSTRUMENTS (Cont'd)

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Foreign exchange risk

The Group and the Company incur foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk is primarily US Dollar and Euro.

Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts, on a case by case basis.

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 mature, or if earlier, reprice.

GROUP

	Effective interest rate %	Total RM'000	Within 1 year RM'000
31.12.2007			
Fixed rates instrument			
Short term deposits with licensed banks and financial institutions	3.0 - 5.0	205,270	205,270
30.6.2007			
Fixed rates instrument			
Short term deposits with licensed banks and financial institutions	3.0 - 5.0	193,794	193,794

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

30. FINANCIAL INSTRUMENTS (Cont'd) COMPANY

31.12.2007	Effective interest rate %	Total RM'000	Within 1 year RM'000
Fixed rates instrument			
Short term deposits with licensed banks and financial institutions	3.4 - 5.0	205,270	205,270
30.6.2007			
Fixed rates instrument			
Short term deposits with licensed banks and financial institutions	3.4 - 5.0	193,144	193,144

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 31 December are represented in the following table:

GROUP	31.12.2007		30.6.2007	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
<i>Investments</i>				
Quoted shares - in Malaysia	-	-	69	544
Quoted shares - overseas	-	-	-	-
COMPANY				
Financial assets				
<i>Investments</i>				
Quoted shares - in Malaysia	-	-	69	544
Quoted shares - overseas	-	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

30. FINANCIAL INSTRUMENTS (Cont'd)

COMPANY

Unrecognised financial instruments

The valuation of financial instruments not recognised in the balance sheet reflects their current market rates at the balance sheet date.

The contracted amount of financial instruments not recognised in the balance sheet as at 31 December are:-

	GROUP/COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000
Forward foreign exchange contracts	4,221	4,106

All the above forward foreign exchange contracts mature within 1 year.

The fair value of the forward foreign exchange contract is RM15,560 (30.6.2007: RM101,000).

31. CHANGES IN ACCOUNTING POLICIES

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the period ended 31 December 2007.

The changes in accounting policies arising from the adoption of FRS 112, Income Taxes and FRS 117, Leases are summarised below:

FRS 112, Income taxes

The Group and the Company are, under the Income Tax Act 1967, entitled to Reinvestment Allowance (RA) which can be utilised against future taxable profits. In accordance with FRS 112 2004, Income Taxes, the RA is treated as the tax base of an asset and as such, the Group and the Company did not recognise the deferred tax asset relating to its RA that arose in the prior years.

On adoption of FRS 112, Income Taxes, the Group and the Company have accounted for this tax incentive by applying the analogy of the accounting treatment for unused tax losses in FRS 112. The change in accounting policy is applied retrospectively and has the following impact on the consolidated financial statements:

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

31. CHANGES IN ACCOUNTING POLICIES (Cont'd)

	GROUP/COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000 Restated
Income statement for the period/year ended 31 December/30 June		
Increase/(Decrease) in tax expenses	1,597	(250)
Balance sheet at 31 December/30 June		
Cumulative increase in deferred tax assets before set-off with deferred tax liabilities	54,610	56,207
Cumulative increase in retained profits	54,610	56,207

FRS 117, Leases

The Group and the Company has adopted FRS 117. The adoption of FRS 117 has resulted in the change in the accounting policy for leases. On adoption of FRS 117, the Group and the Company treats leasehold land as operating lease, with the unamortised amount classified as prepaid lease payments. The change in the accounting policy is made in accordance with the transitional provisions.

The change in accounting policy had the following impact on these consolidated financial statements:

	GROUP/COMPANY	
	31.12.2007 RM'000	30.6.2007 RM'000 Restated
Balance sheet at 31 December/30 June		
Cumulative decrease in property, plant and equipment	5,891	5,943
Cumulative increase in prepaid lease payments	5,891	5,943

32. COMPARATIVE FIGURES

The following comparative figures have been reclassified as a result of changes in accounting policies as stated in Note 31:

	GROUP		COMPANY	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Balance sheets				
Property, plant and equipment	389,296	395,239	372,757	378,700
Prepaid lease payments	5,943	-	5,943	-
Deferred tax assets	10,305	-	10,460	-
Deferred tax liabilities	-	(45,902)	-	(45,747)
Retained profits	304,487	248,280	249,647	193,440

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

32. COMPARATIVE FIGURES (Cont'd)

	GROUP		COMPANY	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Income statements				
Operating profit				
- Amortisation of prepaid lease payments	104	-	104	-
- Depreciation	40,450	40,554	39,958	40,062
Tax expense	11,586	11,836	12,086	12,336
Statement of changes in equity				
Retained profits at 1 July 2006	238,974	183,017	190,821	134,864
Retained profits at 30 June 2007	304,487	248,280	249,647	193,440

33. CHANGE IN ACCOUNTING YEAR END

The Company changed its accounting year end from 30 June 2007 to 31 December 2007. The comparatives for the Income Statement, Statement of Changes in Equity and Cash Flow Statement as well as the comparatives in the notes to the financial statements relating to the Income Statement for the previous 12 months ended 30 June 2007 are hence not comparable to that for the current 6 months ended 31 December 2007.

ANALYSIS OF SHAREHOLDINGS AS AT 3 MARCH 2008

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:	RM184,947,600 comprising 184,447,600 Ordinary Shares of RM1.00 each and 500,000 6% Cumulative Participating Preference Shares of RM1.00 each
Class of Shares:	184,447,600 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 Schedule of Shareholders

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	1	2.63	93	0.02
100 – 1,000	10	26.32	3,049	0.61
1,001 – 10,000	14	36.84	41,239	8.25
10,001 – less than 5% of issued shares	2	5.26	38,000	7.60
5% and above of issued shares	11	28.95	417,619	83.52
	38	100.00	500,000	100.00

30 largest 6% Cumulative Participating Preference Shareholders as at 3 March 2008

Name of Shareholders	No. of Shares	%
1. Aik Hoe And Company (Private) Limited	80,377	16.07
2. Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Merrill Lynch Pierce Fenner & Smith Incorporated (Foreign)	50,000	10.00
3. Mayban Securities Nominees (Asing) Sdn Bhd - Pledged Securities Account for Tan Eng Seng (G1B)	44,472	8.89
4. Amsec Nominees (Asing) Sdn Bhd - AmFraser Securities Pte Ltd for Tan Eng Heng (1440)	44,223	8.84
5. Mayban Securities Nominees (Asing) Sdn Bhd - UOB-Kay Hian Pte Ltd for Chua Geok Choo	35,000	7.00

ANALYSIS OF SHAREHOLDINGS AS AT 3 MARCH 2008

30 largest 6% Cumulative Participating Preference Shareholders as at 3 March 2008 (Cont'd)

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. Tan Lay Hoon @ Tan Lee Hoon May	26,875	5.37
10. Chon Moi	26,427	5.28
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 Kar	3,841	0.77
16. Tan Sek Loon	3,840	0.77
17. Tan Seck Chuan	3,200	0.64
18. Tan Seck Kang	3,200	0.64
19. Tan Sek Thong	3,200	0.64
20. Tan Siak Hai	3,200	0.64
21. Mayban Securities Nominees (Asing) Sdn Bhd - UOB-Kay Hian Pte Ltd for Wah Aik & Company Pte Ltd	2,358	0.47
22. Lim Keng Chong	2,000	0.40
23. Peh Choon Leong	1,280	0.26
24. Tan Bee Choo	1,280	0.26
25. Tan Lay Hoon	1,280	0.26
26. Tan Lay Luan	1,280	0.26
27. Tan Poh Choo	1,280	0.26
28. Tan Eng Sim Investment Holdings Pte Ltd	665	0.13
29. Tan Eng Soon Holdings Sdn Bhd	405	0.08
30. Goh Geok Eng @ Tan Geok Eng	386	0.08
	498,314	99.66

Ordinary Shares of RM1.00 Each

Distribution Schedule of Shareholders

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	159	8.75	5,714	0.00
100 – 1,000	543	29.90	436,397	0.24
1,001 – 10,000	779	42.90	2,990,205	1.62
10,001 – 100,000	241	13.27	6,705,096	3.63
100,001 – less than 5% of issued shares	88	4.85	57,707,025	31.29
5% and above of issued shares	6	0.33	116,603,163	63.22
	1,816	100.00	184,447,600	100.00

ANALYSIS OF SHAREHOLDINGS AS AT 3 MARCH 2008

30 largest Ordinary Shareholders as at 3 March 2008

Name of Shareholders	No. of Shares	%
1. CIMB Nominees (Tempatan) Sdn Bhd - Hayford Holdings Sdn Bhd	29,543,814	16.02
2. Mayban Nominees (Asing) Sdn Bhd - Calamus Pte Ltd (270792)	24,912,656	13.51
3. Hong Leong Asia Ltd.	17,213,525	9.33
4. Aik Hoe And Company (Private) Limited	17,173,168	9.31
5. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	15,816,000	8.57
6. Lembaga Tabung Haji	11,944,000	6.48
7. Malaysia Nominees (Tempatan) Sendirian Berhad - Boon Siew Sdn Berhad (00-00198-000)	6,975,653	3.78
8. Lydale Pte Ltd	6,496,561	3.52
9. CIMB Nominees (Asing) Sdn Bhd - Lydale Pte Ltd	5,171,667	2.80
10. Aik Hoe Investment Pte Ltd	2,946,492	1.60
11. Chinchoo Investment Sdn. Berhad	2,618,300	1.42
12. HSBC Nominees (Asing) Sdn Bhd - Exempt AN for The Bank Of New York (Amex-Foreign)	1,718,932	0.93
13. HDM Nominees (Asing) Sdn Bhd - Lim & Tan Securities Pte Ltd for Jurong Cement Limited	1,718,000	.93
14. Tan Eng Sim Investment Holdings Pte Ltd	1,534,311	0.83
15. Gan Teng Siew Realty Sdn. Berhad	1,512,800	0.82
16. Chon Moi	1,397,278	0.76
17. Tan Shik Koon	1,227,672	0.67
18. Key Development Sdn. Berhad	1,132,500	0.61
19. Cimsec Nominees (Asing) Sdn Bhd - Exempt AN for CIMB-GK Securities Pte Ltd (Retail Clients)	1,090,784	0.59
20. HSBC Nominees (Asing) Sdn Bhd - HSBC-FS for Aberdeen Malaysia Equity Fund	935,900	0.51
21. HDM Nominees (Asing) Sdn Bhd - UOB Kay Hian Pte Ltd for Unimarco Investments (Pte) Ltd	815,000	0.44
22. HDM Nominees (Asing) Sdn Bhd - UOB Kay Hian Pte Ltd for Tan Siak Hoon @ Tan Saik Hoon	807,055	0.44
23. Jurong Cement Limited	770,017	0.42
24. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Eng Soon Holdings Sdn.Bhd. (IPH 8235-3)	744,012	0.40
25. Tan Seck Yeow	734,972	0.40
26. Tan Eng Soon Holdings Sdn Bhd	726,000	0.39
27. Rengo Malay Estate Sendirian Berhad	704,000	0.38
28. Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Islamic Opportunities Fund	691,800	0.38
29. Public Nominees (Asing) Sdn Bhd - Pledged Securities Account for Tan Sek Yin (IGN)	538,338	0.29
30. Mayban Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for The Employees' Provident Fund Board (250416)	533,000	0.29
	160,144,207	86.82

ANALYSIS OF SHAREHOLDINGS AS AT 3 MARCH 2008

Substantial Shareholders

According to the Register of Substantial Shareholders as at 3 March 2008:

Name of Substantial Shareholders	No. of Shares	%
1. Lydale Private Limited	11,668,228	6.33
2. Lembaga Tabung Haji	11,944,000	6.48
3. Amanah Raya Berhad	15,816,000	8.58
4. Aik Hoe & Co. Pte. Ltd.	19,919,660 ¹	10.80
5. Calamus Pte Ltd	24,912,656	13.51
6. GK Goh Holdings Limited	24,912,656 ²	13.51
7. GKG Investment Holdings Pte Ltd	24,912,656 ²	13.51
8. Goh Geok Khim	24,912,656 ²	13.51
9. Goh Yew Lin	24,912,656 ²	13.51
10. Hayford Holdings Sdn Bhd	29,543,814	16.02
11. Hong Leong Asia Ltd.	58,873,167 ³	31.92
12. Hong Leong Corporation Holdings Pte Ltd	58,873,167 ⁴	31.92
13. Hong Leong Enterprises Pte. Ltd.	58,873,167 ⁴	31.92
14. Davos Investment Holdings Private Limited	58,873,167 ⁴	31.92
15. Kwek Leng Kee	58,873,167 ⁴	31.92
16. Quek Leng Chye	58,873,167 ⁴	31.92
17. Hong Leong Investment Holdings Pte. Ltd.	58,873,167 ⁶	31.92
18. Kwek Holdings Pte. Ltd.	58,873,167 ⁴	31.92
19. Kwek Leng Beng	59,121,567 ⁵	32.05
20. Tan Sri Quek Leng Chan	59,220,919 ⁵	32.11

Notes:

- 1 Direct and deemed interest through A.H. Securities Pte Ltd and Aik Hoe Investment Pte Ltd.
- 2 Deemed interest through Calamus Pte Ltd.
- 3 Direct and deemed interest through Hayford Holdings Sdn Bhd, Island Concrete (Private) Limited, Kian Chiang Granite Quarry Company (Pte.) Limited, Thong & Kay Hian Nominee (Asing) Sdn Bhd and Lydale Pte. Ltd.
- 4 Deemed interest through Hong Leong Asia Ltd., Hayford Holdings Sdn Bhd, Island Concrete (Private) Limited, Kian Chiang Granite Quarry Company (Pte.) Limited, Thong & Kay Hian Nominee (Asing) Sdn Bhd and Lydale Pte. Ltd.
- 5 Direct and deemed interest through Hong Leong Asia Ltd., Hayford Holdings Sdn Bhd, Island Concrete (Private) Limited, Kian Chiang Granite Quarry Company (Pte.) Limited, Thong & Kay Hian Nominee (Asing) Sdn Bhd and Lydale Pte. Ltd.

LIST OF PROPERTIES HELD

Held by the Group as at 31 December 2007

	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 24862/208408 (CT.5399) Tasek Mukim Ulu Kinta Perak	Freehold	0a 3r 8p	-	Agricultural/ Future Development	35	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 9112N/601 (G.8466) Jln Kuala Kangsar Mukim Ulu Kinta Perak	Freehold	26.81035a	-	Agricultural/ Storage Yard	3,539	1985
10	Lot 16908 (G.8447) Tasek Mukim Ulu Kinta Perak	Freehold	4a 1r 19p	-	Agricultural/ Future Development	177	1985

LIST OF PROPERTIES HELD

Held by the Group as at 31 December 2007

	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						
11	Lot 24863 (G.8449) Tasek Mukim Ulu Kinta Perak	Freehold	1.4085a	-	Agricultural/ Future Development	120	1985
12	Lot 9114/233 (PN.2306) Jln Kuala Kangsar Mukim Ulu Kinta Perak	Freehold	18.13714a	-	Agricultural/ Future Development	2,587	1985
13	Lot 15627 (208414) (CT.9378) Tasek Mukim Ulu Kinta Perak	Freehold	1.81322a	-	Agricultural/ Future Development	196	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 (208410) (CT.14706) Tasek Mukim Ulu Kinta Perak	Freehold	3.0393a	-	Agricultural/ Future Development	214	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	Freehold	5a 0r 0p	1 to 44	Industrial/ Factory Site	1,193	1985

LIST OF PROPERTIES HELD

Held by the Group as at 31 December 2007

	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							
20	Lot 43101 (CT.28443) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak	Freehold	4a 3r 39p	-	Industrial/ Factory Site	1,087	1985
21	Lot 22548 (CT.8990) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak	Freehold	2a 1r 39p	1 to 44	Industrial/ Factory Site	886	1985
22	Lot 22547 (CT.8448) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak	Freehold	2a 1r 39p	1 to 44	Industrial/ Factory Site	2,128	1985
23	Lot 14661 (CT.9236) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak	Freehold	4a 3r 33p	-	Industrial/ Factory Site	1,402	1985
24	Lot 14662 (G.9002) Persiaran Tasek, Kwsn Perindustrian Tasek Mukim Ulu Kinta Perak	Freehold	8a 1r 36p	1 to 44	Industrial/ Factory Site	2,364	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

LIST OF PROPERTIES HELD

Held by the Group as at 31 December 2007

	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							
27	Lot 15031 (G.22300) Tasek Mukim Ulu Kinta Perak	Freehold	3.9242a	-	Agricultural/ Future Development	366	1985
28	Lot 21989 (G.22303) Chemor Mukim Ulu Kinta Perak	Freehold	47a 3r 35p	-	Agricultural/ Future Development	759	1985
29	Lot 1552 (MG.136) Sungai Buloh Mukim Gombak Selangor Factory Building	Freehold	2a 3r 20p	12	Bulk Terminal/ Storage Packing	11,402	1995*
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 44	Industrial/ Factory Site	83,003	1985
31	Lot PT.59 (HS (D) 1865/83) Kampung Acheh Mukim Lumut Perak	Leasehold Expiring in 2082	25a 1r 24.8p	25	Industrial/ Storage Yard & Jetty	1,909	1985
32	Lot 25065 (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	210	1985
33	Lot 17177, 25227, 47432 (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) 24.93a) 17.22a)	-	Limestone Quarry	27	1985
B Owned by Posek Pembangunan Sdn Berhad							
1	Lot 399 (CT.MK1) Seberang Perai Mukim Perai Pulau Pinang	Freehold	2a 2r 4p	-	Vacant Land/ Future Development	943	2001

LIST OF PROPERTIES HELD

Held by the Group as at 31 December 2007

	Location	Tenure	Area	Estimated Age of Building	Description & Existing use	Net Book Value RM'000	Year of revaluation/ acquisition*
C	Owned by Tasek Plantation Sdn Berhad						
1	Lot 12397 (GT.15229) Chemor Mukim Ulu Kinta Perak	Freehold	149a 3r 7p	-	Agricultural/ Future Development	1,221	2001
2	Lot 15474 (Geran 46736) Chemor Mukim Ulu Kinta Perak	Freehold	15a 1r 2p	-	Agricultural/ Future Development	124	2001
3	Lot 17286 (Geran 46501) Chemor Mukim Ulu Kinta Perak	Freehold	9a 1r 13p	-	Agricultural	106	2001
4	Lot 19705 (Geran 46642) Chemor Mukim Ulu Kinta Perak	Freehold	0a 2r 37p	-	Agricultural/ Future Development	6	2001
5	Lot 34057 & 34059 (Geran 46748) Chemor Mukim Ulu Kinta Perak	Freehold	237a 1r 12p	-	Agricultural	3,675	2001
6	Lot 34582 (Geran 46640) Chemor Mukim Ulu Kinta Perak	Freehold	4a 2r 30p	-	Agricultural	52	2001
7	Lot 36233 (Geran 46746) Chemor Mukim Ulu Kinta Perak	Freehold	579a 3r 0p	-	Agricultural/ Future Development	4,727	2001

LIST OF PROPERTIES HELD

Held by the Group as at 31 December 2007

	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							
33	Lot 17177, 25227, 47432 (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) 24.93a) 17.2478a)	-	Limestone Quarry	27	1985
B Owned by Posek Pembangunan Sdn Berhad							
1	Lot 399 (CT.MK1) Seberang Perai Mukim Perai Pulau Pinang	Freehold	2a 2r 4p	-	Vacant Land/ Future Development	943	2001
C Owned by Tasek Plantation Sdn Berhad							
1	Lot 12397 (GT.15229) Chemor Mukim Ulu Kinta Perak	Freehold	149a 3r 7p	-	Agricultural/ Future Development	1,221	2001
2	Lot 15474 (Geran 46736) Chemor Mukim Ulu Kinta Perak	Freehold	15a 1r 2p	-	Agricultural/ Future Development	124	2001
3	Lot 17286 (Geran 46501) Chemor Mukim Ulu Kinta Perak	Freehold	9a 1r 13p	-	Agricultural	106	2001
4	Lot 19705 (Geran 46642) Chemor Mukim Ulu Kinta Perak	Freehold	0a 2r 37p	-	Agricultural/ Future Development	6	2001
5	Lot 34057 & 34059 (Geran 46748) Chemor Mukim Ulu Kinta Perak	Freehold	237a 1r 12p	-	Agricultural	3,675	2001
6	Lot 34582 (Geran 46640) Chemor Mukim Ulu Kinta Perak	Freehold	4a 2r 30p	-	Agricultural	52	2001
7	Lot 36233 (Geran 46746) Chemor Mukim Ulu Kinta Perak	Freehold	579a 3r 0p	-	Agricultural/ Future Development	4,727	2001

Notice of The 47th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 47th 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 on Wednesday, 30 April 2008 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 period ended 31 December 2007. **(Resolution 1 – Ordinary)**
2. To approve Directors' fees totalling RM216,500 to be divided among the Directors in such manner as the Directors may determine. **(Resolution 2 – Ordinary)**
3. To re-elect the following Directors who retire by rotation under Article 94 of the Articles of Association: -
 - (a) Datuk Dr. Hussein Awang **(Resolution 3 – Ordinary)**
 - (b) Kwek Leng Peck **(Resolution 4 – Ordinary)**
4. To re-appoint Messrs. KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5 – Ordinary)**

AS SPECIAL BUSINESS:

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

Ordinary Resolution

(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 Securities and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 6 – Ordinary)

Ordinary Resolution

(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 Securities 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");

Notice of The 47th Annual General Meeting

AS SPECIAL BUSINESS: (Cont'd)

Ordinary Resolution (Cont'd)

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 31 December 2007 the audited retained profits and share premium of the Company were RM433.91 million and RM134.85 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 Securities 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 Securities 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 7 – Ordinary)

Notice of The 47th Annual General Meeting

AS SPECIAL BUSINESS: (Cont'd)

Ordinary Resolution

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

"THAT the mandate granted by the shareholders of the Company on 25 October 2007 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 8 April 2008 ("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 8 – Ordinary)

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

By Order of the Board

VINCENT CHOW POH JIN

GO HOOI KOON

Company Secretaries

Selangor

8 April 2008

Notes:

- 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. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with shares in the Company standing to the credit of the said securities account.
- 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.
- The Form of Proxy must be deposited at the Registered Office of the Company situated 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.
- 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 shares 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.
- Resolution On Proposed Renewal of Authority for the Purchase Of Own Shares by the Company**

The purchase of own shares of the Company will enable the Company to utilise its financial resources not immediately required for use to purchase its ordinary shares. The purchase of own shares is expected to have the effect of stabilising the supply and demand as well as the price of the ordinary shares. Further information on the Proposed Renewal of Authority for the Purchase of Own Shares by the Company are set out in the Circular dated 8 April 2008 which is despatched together with the Company's 2007 Annual Report.
- Resolution on Proposed Renewal of Mandate on Recurrent Related Party Transactions**

The renewal of the mandate will permit the Company to enter into all recurrent related party transactions of revenue or trading nature which are necessary for day-to-day operations in the ordinary course of business. Further information on the Proposed Renewal of Mandate on Recurrent Related Party Transactions are set out in the Circular dated 8 April 2008 which is despatched together with the Company's 2007 Annual Report.

Statement accompanying notice of 47th Annual General Meeting

Directors standing for re-election at the 47th Annual General Meeting of the Company.

Directors' retiring by rotation under Article 94 of the Articles of Association and standing for re-election are :

- a) Datuk Dr. Hussein Awang; and
- b) Kwek Leng Peck

Further details of Datuk Dr. Hussein Awang and Kwek Leng Peck are set out in the Profile of Directors on pages 4 to 5 of the Annual Report.

PROXY FORM



TASEK CORPORATION BERHAD (4698-W)
(Incorporated in Malaysia)

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 47th Annual General Meeting of the Company to be held at Kelab Rahman Putra Malaysia, Jalan BRP 2/1, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor on Wednesday, 30 April 2008 at 10.00 a.m. or at any adjournment thereof.

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

RESOLUTIONS	FOR	AGAINST
Ordinary Business		
1 To receive the Accounts and Reports for the period ended 31 December 2007		
2 To approve the payment of Directors' fees		
To re-elect the following Directors who retire by rotation under Article 94 of the Articles of Association:-		
3 Datuk Dr. Hussein Awang		
4 Kwek Leng Peck		
5 To re-appoint Messrs. KPMG as Auditors & authorise the Directors to fix their remuneration		
Special Business		
To approve the following ordinary resolutions:-		
6 Authority To Directors to Issue Shares		
7 Renewal of authority for the Purchase of Own Shares by the Company		
8 Renewal of Mandate on Recurrent Related Party Transactions		

(Please indicate with an "x" or "√" in the appropriate space above 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 _____ 2008

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. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with shares in the Company standing to the credit of the said securities account.
- (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 situated 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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THE COMPANY SECRETARY
TASEK CORPORATION BERHAD
Lot 1552, Kg. Jaya Industrial Area
Off Jalan Hospital
47000 Sungai Buloh, Selangor

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