

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

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

Summary of Key Financial Information for the financial 6-month period ended 30.6.2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2009 RM'000	CURRENT YEAR TODATE 30/6/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2009 RM'000
1 Revenue	139,842	142,044	269,308	271,215
2 Profit/(Loss) before tax	25,812	23,210	47,877	40,896
3 Profit/(Loss) for the period	19,079	17,400	35,321	30,976
4 Profit/(Loss) attributable to ordinary equity holders of the parents	19,079	17,400	35,321	30,976
5 Basic earnings/(loss) per share (sen)	10.29	9.37	19.07	16.70
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END		
7 Net assets per share attributable to ordinary equity holders of the parent (RM)		4.8627		4.8977

Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2009 RM'000	CURRENT YEAR TODATE 30/6/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2009 RM'000
1 Gross interest income	2,381	1,272	4,203	3,008
2 Gross interest expense	24	52	38	118

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2010

	Note	Quarter ended 30 June		6 months Cumulative to date	
		2010 RM'000	2009 RM'000 (restated)	2010 RM'000	2009 RM'000 (restated)
Continuing operations					
Revenue		139,842	142,044	269,308	271,215
Cost of sales	A14	(92,242)	(96,760)	(178,068)	(188,555)
Gross Profit		<u>47,600</u>	<u>45,284</u>	<u>91,240</u>	<u>82,660</u>
Other income		-	412	163	1,001
Selling & Distribution Expenses	A14	(19,753)	(19,162)	(39,589)	(37,802)
Administrative Expenses		(4,392)	(4,544)	(8,102)	(9,219)
Other expenses		-	-	-	-
Results from operating activities		<u>23,455</u>	<u>21,990</u>	<u>43,712</u>	<u>36,640</u>
Finance income		2,381	1,272	4,203	3,008
Finance costs		(24)	(52)	(38)	(118)
Net finance costs		<u>2,357</u>	<u>1,220</u>	<u>4,165</u>	<u>2,890</u>
Share of profit of associates, net of tax		-	-	-	1,366
Share of profit equity accounted jointly controlled entity, net of tax		-	-	-	-
		-	-	-	1,366
Profit before tax		<u>25,812</u>	<u>23,210</u>	<u>47,877</u>	<u>40,896</u>
Income tax expense		(6,733)	(5,810)	(12,556)	(9,920)
Profit for the period		<u>19,079</u>	<u>17,400</u>	<u>35,321</u>	<u>30,976</u>
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		<u>19,079</u>	<u>17,400</u>	<u>35,321</u>	<u>30,976</u>
Profit attributable to :					
Shareholders of the Company		19,079	17,400	35,321	30,976
Minority interest		-	-	-	-
Profit for the period		<u>19,079</u>	<u>17,400</u>	<u>35,321</u>	<u>30,976</u>
Earnings per share					
- Basic (sen)		<u>10.29</u>	<u>9.37</u>	<u>19.07</u>	<u>16.70</u>
- Diluted (sen)		<u>NA</u>	<u>9.37</u>	<u>NA</u>	<u>16.70</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

TASEK CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	30 June 2010	31 December 2009 (restated)
	RM'000	RM'000
Assets		
Property, plant & equipment	343,693	366,922
Intangible assets	274	366
Goodwill on consolidation	389	389
Prepaid lease payments	14,162	37
Investment in a jointly controlled entity	6	6
Development expenditure	37	37
Total non - current assets	<u>358,561</u>	<u>367,757</u>
Inventories	101,340	112,542
Receivables, deposits and repayments	75,453	69,951
Tax recoverable	414	319
Cash & cash equivalents	376,175	355,726
Total current assets	<u>553,382</u>	<u>538,538</u>
Assets classified as held for sale	80,441	76,309
	<u>633,823</u>	<u>614,847</u>
Total assets	<u><u>992,384</u></u>	<u><u>982,604</u></u>
Equity		
Share Capital	185,009	185,407
Reserves	714,635	722,675
Total equity attributable to equity holders of the Company	899,644	908,082
Minority interests	-	-
Total equity	<u>899,644</u>	<u>908,082</u>
Liabilities		
Deferred tax liabilities	23,461	16,116
Total non - current liabilities	<u>23,461</u>	<u>16,116</u>
Payables and accruals	61,965	54,437
Provisions	1,112	-
Bank borrowings	4,372	3,747
Derivative liabilities	292	-
Provision for taxation	1,538	222
Total current liabilities	<u>69,279</u>	<u>58,406</u>
Total liabilities	<u>92,740</u>	<u>74,522</u>
Total equity and liabilities	<u><u>992,384</u></u>	<u><u>982,604</u></u>
Net Assets per Share (RM)	<u>4.86</u>	<u>4.90</u>
Net Tangible Assets per Share (RM)	<u>4.86</u>	<u>4.89</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

TASEK CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR
PERIOD ENDED 30 JUNE 2010

	←-----Attributable to equity holders of the Company-----→								Total RM'000
	←-----Non - distributable-----→				-----Distributable-----→				
	Share capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Capital Redemption Reserve RM'000	Share Options Reserve RM'000	Treasury Shares RM'000	General Reserve RM'000	Retained Profits RM'000	
At 1 January 2010, as previously stated	185,407	135,784	11,199	-	-	(223)	115,347	460,568	908,082
- effect of adopting FRS 139	-	-	-	-	-	-	-	(449)	(449)
At 1 January 2010, as restated	185,407	135,784	11,199	-	-	(223)	115,347	460,119	907,633
Net profit for the year	-	-	-	-	-	-	-	35,321	35,321
Shares buy-back	-	-	-	-	-	(1,615)	-	-	(1,615)
Cancellation of treasury shares	(398)	(1,838)	-	398	-	1,838	-	-	-
Final & Special dividend totalling 30 sen per share	-	-	-	-	-	-	-	(41,695)	(41,695)
Balance at 30 June 2010	185,009	133,946	11,199	398	-	-	115,347	453,745	899,644
At 1 January 2009	185,088	135,117	11,199	-	72	-	115,347	407,388	854,211
Issue of share - Exercise of options	318	592	-	-	-	-	-	-	910
Net profit for the year	-	-	-	-	-	-	-	30,976	30,976
Shares buy-back	-	-	-	-	-	(169)	-	-	(169)
Final dividend of 10 sen per share	-	-	-	-	-	-	-	(13,945)	(13,945)
Balance at 30 June 2009	185,406	135,709	11,199	-	72	(169)	115,347	424,419	871,983

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with
with the Annual Financial Report for the year ended 31 December 2009 and the
accompanying explanatory notes attached to the interim financial statements.

TASEK CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR
PERIOD ENDED 30 JUNE 2010

	6 Months ended 30 June 2010 RM'000	6 Months ended 30 June 2009 RM'000
Net profit before taxation	47,877	40,896
Adjustment for non-cash flow:		
Non-cash items	<u>21,597</u>	<u>22,026</u>
Operating profit before changes in working capital	69,474	62,922
Changes in working capital:		
Net Change in current assets/(liabilities)	<u>19,190</u>	<u>28,301</u>
Net cash flows from operating activities	88,664	91,223
Net cash flows from investing activities	(25,530)	(30,866)
Net cash flows from financing activities	<u>(42,685)</u>	<u>(13,395)</u>
Net increase in cash and cash equivalents	20,449	46,962
Cash & cash equivalents at beginning of year	355,726	261,115
Cash & cash equivalents at end of period	<u><u>376,175</u></u>	<u><u>308,077</u></u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1 Accounting policies and methods of computation

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009.

A1 (a) Changes in accounting policy

On 1 January 2010, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations mandatory for financial periods beginning on or after 1 July 2009 and 1 January 2010:

FRS 7: Financial Instruments: Disclosures

FRS 8: Operating Segments

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments:

Disclosure and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations does not result in significant changes in accounting policies of Group except as disclosed below:

(i) FRS 139, Financial instruments : Recognition and Measurement

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments and the new accounting policies are as follows :

I) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

II) Financial instrument categorised and subsequent measurement

The Group categorises financial instruments as follows:

Financial assets

- Loans and receivables

Prior to adoption of FRS 139, loans and receivables were stated at cost less allowance for doubtful debts. Under FRS 139, financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest methods. Gain and losses are recognised in the consolidated income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

III) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

The application of the above new policies has the following effects :

	Retained earning	
	2010	2009
Group	RM'000	RM'000
At 1 January, as previously stated	460,568	407,388
- Fair value adjustment on other receivables	(449)	-
At 1 January, as restated	<u>460,119</u>	<u>407,388</u>

Derivatives

Prior to the adoption of FRS 139, derivatives were not recognised in the financial statements. Under FRS 139, derivatives are required to be initially recognised at fair value on the date the derivative contract is entered into and subsequently at fair value at each balance sheet date. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Derivatives that do not qualify for hedge accounting are classified at fair value through profit and loss with any gains or losses arising from changes in fair value on these derivatives being recognised in the income statement.

The outstanding forward foreign currency exchange contracts as at 30 June 2010 are as follows:

<u>Type of Derivatives</u>	Contract	Fair value
	value	RM'000
Foreign Exchange Contracts	RM'000	RM'000
- Less than 1 year	4,196	3,904
- 1 year to 3 years	-	-
- More than 3 years	-	-

Forward foreign currency exchange contracts are entered into with licensed banks to hedge the Group's exposure to foreign exchange risk in respect of imported purchases by establishing the rate at which foreign currency liabilities will be settled.

These contracts are executed with credit-worthy/reputable financial institutions in Malaysia and as such, credit risk and liquidity risk in respect of non-performance by counterparties to these contracts is minimal.

The fair value of the forward foreign currency exchange contracts are subject to market risk. The fair value of the forward contracts may decline if the exchange rate of the underlying currency decreases.

There are no cash requirements for these derivatives.

Forward foreign currency exchange contracts are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

Fair value adjustment of trade and other receivables

With the adoption of FRS 139, the fair value adjustment for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value or estimated future cash flows discounted at the asset's original effective interest rate.

These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance with the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial period were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted.

Consequently, the adoption of FRS 139 does not affect the basic and diluted earnings per ordinary share for prior periods. It is not practicable to estimate the impact arising from the adoption of FRS 139 to the current period's basic and diluted earnings per ordinary share.

FRS 123, Borrowing Costs

Before 1 January 2010, borrowing costs were expensed to profit or loss as and when they were incurred. With the adoption FRS 123, the Group capitalises borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset as part of the cost of the asset for which the commencement date of capitalisation is on or after 1 January 2010.

The change in accounting policy has been applied prospectively in accordance with the transitional provisions of FRS 123.

Hence the adoption of FRS 123 does not affect the basic and diluted earnings per ordinary share for prior periods and has no material impact to current period's basic and diluted earnings per ordinary share.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FRS 8, Operating Segments

As at 1 January 2010, the Group determines and presents operating segments based on the information that is internally provided to the chief operating decision maker ("CODM") who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This change in accounting policy is due to the adoption of FRS 8, previously operating segments were determined and presented in accordance with FRS 114²⁰⁰⁴, *Segment Reporting*.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per ordinary share.

FRS 101 (revised), Presentation of Financial Statements

The Group applies revised FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per ordinary share.

A2 Audit report

The audit report of the Company's preceding annual financial statements was not qualified.

A3 Seasonal or cyclical factors

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

A4 Unusual items

There were no unusual items during this quarter affecting assets, liabilities, equity, net income or cashflow during the current quarter and financial period-to-date.

A5 Changes in estimates of amount reported previously with material effect in current interim period.

There were no estimations of amount used in our previous reporting having a material impact in the current reporting period.

A6 Debt and equity securities

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

(i) Share buy-back

At the Annual General Meeting (AGM) of the Company held on 27 April 2010, the shareholders of the Company had renewed the share buy-back mandate for the Company to purchase up to 10% of the ordinary issued and paid-up share capital of the Company. The mandate will expire at the next AGM.

The Company has bought back 341,500 of its own issued ordinary shares of RM1.00 each during the first financial quarter from the open market at an average price paid of approximately RM 4.73 per share for a total consideration of RM1.615 million.

The above share buy-back were financed by internally generated funds. The shares were retained as treasury shares in accordance with Section 67A of the Companies Act, 1965.

On 24 June 2010, the Company announced the cancellation of the whole 397,900 treasury shares bought back to date and the amount equivalent to the nominal value of RM397,900 was transferred to the capital redemption reserve in accordance with the requirement of Section 67A of the Companies Act, 1965. The premium paid on the shares bought back was made out from the share premium.

A7 Dividends paid

Since the end of the previous financial year, the Company paid a final dividend of 10 sen per share less tax at 25% and a special dividend of 20 sen per share less tax at 25% on the ordinary shares totalling RM41.515 million and a single tier dividend of a preference 6 sen per share and also the final dividend of 10 sen per share and special dividend of 20 sen per share on the cumulative participating preference shares totalling RM180,000 on 18 June 2010 in respect of the financial year ended 31 December 2009.

A8 Segmental information

The segment information provided to the CODM for the current financial year to date is as follows:

	Cement	Ready Mix Concrete	All other segments	Total
30.6.2010	RM'000	RM'000	RM'000	RM'000
Segment revenue	214,930	91,618	2,917	309,465
Inter-segment revenue	(40,157)	-	-	(40,157)
Revenue from external customers	174,773	91,618	2,917	269,308

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	Cement	Ready Mix Concrete	All other segments	Total
	RM'000	RM'000	RM'000	RM'000
Operating profit	40,543	1,490	1,679	43,712
Net Finance income/(cost)	4,156	9	-	4,165
Share of profit of associates	-	-	-	-
Income tax expense	(11,732)	(373)	(451)	(12,556)
Profit after tax	32,967	1,126	1,228	35,321

	Cement	Ready Mix Concrete	All other segments	Total
	RM'000	RM'000	RM'000	RM'000
<u>30.6.2009</u>				
Segment revenue	222,922	81,644	2,449	307,015
Inter-segment revenue	(35,800)	-	-	(35,800)
Revenue from external customers	187,122	81,644	2,449	271,215
Operating profit	33,549	1,977	1,114	36,640
Net Finance income/(cost)	2,974	(87)	3	2,890
Share of profit of associates	1,366	-	-	1,366
Income tax expense	(9,130)	(489)	(301)	(9,920)
Profit after tax	28,759	1,401	816	30,976

Breakdown of the revenue from all services is as follows:

Analysis of revenue by geographical segment

	30.6.2010	30.6.2009
	RM'000	RM'000
Malaysia	248,546	254,716
Outside Malaysia	20,762	16,499

A9 Revaluations

There were no amendments in the valuation amount of revalued assets brought forward to the current quarter ended and financial year to date.

A10 Material events subsequent to the end of the reporting period

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

A11 Changes in composition of the Group

There were no changes in the composition of the Group during the current financial year to date including business combination, acquisition or disposal of subsidiaries, restructuring and discontinuing operation except for the following.

The completion of the acquisition of the entire issued and paid-up share capital comprising 500,000 ordinary shares of RM 1.00 each in PR Engineering Sdn Bhd, a company incorporated in Malaysia with the intention of carrying out quarry operation for a total cash consideration of RM14.2 million.

At the current reporting period, the provisional value of the identifiable net assets recognised on acquisition are based on the Board of Directors' best estimate of the fair value of the assets.

The fair values of assets and liabilities assumed in the acquisition of PR Engineering Sdn Bhd and the cashflow effects are as follow.

	Acquiree's carrying amount	Fair value adjustments	Fair Value
	RM'000	RM'000	RM'000
Property, plant and equipment	173	14,027	14,200
Net identifiable assets	173	14,027	14,200
Consideration paid satisfied in cash			(14,200)
Net cash outflow			-

At the date of this reporting, the management has yet to finalise the purchase price allocation for the business combination as required by FRS 3. The identifiable asset has been derived base on provisional basis as management has 12 months to complete the purchase price allocation. Upon the finalisation of the purchase price allocation the company will recognise any adjustment to the provisional value of the identifiable assets and the excess of the identifiable assets over the course of business arising from the business combination, if any.

If the acquisition had occurred on 1 January 2010, the Group revenue and profit for the period from 1 January 2010 to 30 June 2010 would remained the same as the acquired company has not commenced any quarry activity since incorporation.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A12 Contingent liabilities or assets

There were no changes to the contingent liabilities disclosed in the Annual Financial Report for the year ended 31.12.2009.

A13 Commitments

The outstanding commitment in respect of capital expenditure at balance sheet date not provided for in the financial statements is as follows:

	Note	As at 30.6.10 RM'000	As at 30.6.09 RM'000
<u>Property, plant & equipment</u>			
- Contracted but not provided for and payable		4,999	7,092
- Authorised but not contracted for		2,809	-
		<u>7,808</u>	<u>7,092</u>

A14 Comparative Figures

Certain comparative figures have been reclassified to conform with current year's presentation requirements:

	Quarter ended 30 June 2009		6 months Cumulative to date 30 June 2009	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
<u>Income statement</u>				
Cost of sales	96,760	102,046	188,555	198,634
Selling and distribution costs	19,162	13,876	37,802	27,723

The summary of the effects of changes in accounting policies as a result of the adoption of the above FRSs on the comparatives and restated to conform with the current period's presentation.

	31.12.09 As restated RM'000	31.12.09 As previously stated RM'000
Property, plant and equipment	366,922	361,276
Prepaid lease	37	5,683

B1 Review of performance

The Group achieved a profit before tax of RM25.9 million for the current quarter compared with RM23.2 million in the previous year corresponding quarter. The Group achieved a higher pre-tax profit for the current quarter despite the lower revenue due mainly to the improved margin from lower cost of production coupled with local cement price revision during the reporting quarter.

The Group has not equity accounted its Associates' results following the Company's intention to dispose of the Company's equity investment in the Associates.

B2 Comparison of profit before tax for the current quarter with the immediate preceding quarter

	Current quarter 30.6.10 RM'000	Immediate preceding quarter 31.3.10 RM'000
Revenue	139,842	129,466
Consolidated profit before tax	<u>25,812</u>	<u>22,065</u>

The higher Group's revenue and profit before tax in comparison with the immediate preceding quarter was mainly due to better sales mix from local cement sales and the effect from the local cement price adjustment.

B3 Prospect

The Group expects the construction sector to continue to benefit in tandem with the nation's economic growth for the first half of the year. Hence, the demand for cement and concrete products for the third quarter is expected to remain consistent but competitive. As enhancement for the Group's overall competitiveness, the Group will continue to intensify its efforts in optimizing production performance and efficiency. The Group is expected to remain profitable for the third quarter of 2010.

B4 Explanation on variances of actual results compared with forecast and shortfall in profit guarantee.

The Group did not publish any profit forecast or profit guarantee during the current quarter and the financial year to date ended 30.6.2010.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B5 Taxation

	Current quarter 30.6.10	Preceding corresponding quarter 30.6.09
Current Income tax	RM'000	RM'000
Malaysia - Current year	5,196	5,321
- Prior year	-	-
	<u>5,196</u>	<u>5,321</u>
Deferred tax		
Origination and reversal of temporary differences	1,537	489
	<u>6,733</u>	<u>5,810</u>

The Group's effective tax rate for the current quarter was higher than the statutory tax rate mainly due to non tax-deductible expenses.

B6 Sales of unquoted investments and properties.

There were no sale of unquoted investments and properties during the current financial quarter and the financial year to date except on 13 July 2010, the Company announced that its wholly-owned subsidiary, Tasek Plantation Sdn Bhd ("TPSB") has entered into a Conditional Sale and Purchase Agreement ("the Agreement") with Ngan Yin Groundnut Factory Sdn Bhd (Co. No. 24765-P) ("the Purchaser") to dispose of Gunong Kuang Estate in the Mukim of Hulu Kinta, District of Kinta, Perak on an "as is" basis for a total cash consideration of RM53,888,999 only.

B7 Purchases and sales of quoted securities

There were no purchases and sales of quoted securities for the current quarter and the financial year to date except for shares bought back as disclosed in A6.

B8 Status of corporate proposal

There were no announcement of any corporate proposal during the current financial period to date. The status of corporate proposals announced as at 27 July 2010 were as follows:

i) On 23 December 2009, the Company announced that it had entered into a conditional Sale and Purchase Agreement ("SPA") with Loo An Swee and Tan Swee Tiang ("Seller") to purchase the whole of the issued and paid up share capital of Gridland Sdn Bhd ("GSB") comprising 5,000,000 ordinary shares of RM1.00 each for a provisional cash consideration of RM24.8 million subject to the terms and conditions of the Agreement.

On 27 May 2010, the Company announced the termination of the above SPA with Loo An Swee and Tan Swee Tiang relating to the sale and purchase of the whole of the issued capital of GSB, and proposed the acquisition of the whole issued share capital of PR Engineering Sdn Bhd ("PRE") comprising 500,000 ordinary shares of RM1.00 each for a cash consideration of RM14.2 million by entering into a Sale and Purchase Agreement with Loo An Swee and Tan Swee Tiang (collectively the "Guarantors") and GSB ("Seller"). PRE is a private limited company incorporated in Malaysia under the Companies Act, 1965 and a wholly-owned subsidiary of GSB with an issued and paid-up share capital of 500,000 ordinary shares of RM1.00 each. PRE is the sole legal and beneficial owner of a limestone hill held under HS (D) 180252 PT 21302 Mukim Sungai Raya, Daerah Kinta, Negeri Perak and HS (D) 180253 PT 21303 Mukim Sungai Raya, Daerah Kinta, Negeri Perak.

On 23 June 2010, the Company announced in relation to the purchase of the whole of the issued and paid-up share capital of PRE comprising 500,000 ordinary shares of RM1.00 each, the condition precedents of the Sale and Purchase Agreement dated 27 May 2010 between the Guarantors and the Seller and the Company have been complied with. The Company will be the legal and beneficial owner of the whole of the issued and paid-up capital of PRE and it will become a wholly-owned subsidiary of the Company once the transfer of shares has been completed.

ii) On 9 February 2010, the Company announced the following:

a) proposed cash distribution of approximately up to RM102.97 million or equivalent to RM0.63 per ordinary share of RM1.00 each in the Company ("Tasek Ordinary Share") or per 6% cumulative participating preference share of RM1.00 each in the Company ("Tasek Preference Share") (collectively referred to as the "Tasek Shares") to the ordinary shareholders and preference shareholders of the Company by way of proposed final dividend of RM0.10 per share; proposed special dividend of RM0.20 per share; and proposed capital repayment of approximately up to RM61.18 million on the basis of RM0.33 per share; and

b) proposed share consolidation of approximately up to 185,407,200 Tasek Shares of RM0.67 each in the Company (after the proposed capital repayment) into approximately up to 124,222,824 Tasek Shares, on the basis of 1.49 Tasek Shares of RM0.67 each in the Company into one (1) Tasek Share of RM1.00 each in the Company.

On 18 March 2010, the application for the proposed consolidation of up to 185,407,200 shares of RM0.67 each into up to 124,222,824 shares of RM1.00 each has been approved by Bursa Malaysia Securities Berhad.

On 24 June 2010, the Company announced that it has cancelled all its treasury shares of 397,900 ordinary shares of RM1.00 each and the adjusted issued share capital after cancellation amounted to 184,509,300 ordinary shares of RM1.00 each.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

On 2 July 2010, the Company announced that the High Court of Malaya, Kuala Lumpur, had granted an order confirming the Proposed Capital Repayment via capital reduction by the Company pursuant to Section 64 of the Companies Act, 1965. Once the court order has been extracted, it will be lodged with the Registrar of Companies for the capital reduction to take effect.

On 19 July 2010, the Company announced the date of Book Closing Date and Entitlement for the Capital Repayment and Share Consolidation to be on 3 August 2010 and the payment date for the capital repayment on 6 August 2010.

On 22 July 2010, the Company announced the clarification that pursuant to the Capital Repayment and Share Consolidation, a total of 184,509,300 ordinary shares of RM0.67 each and 500,000 6% cumulative participating preference shares of RM0.67 each in Tasek will be consolidated into a maximum of 123,621,231 ordinary shares of RM1.00 each and 335,000 6% cumulative participating preference shares of RM1.00 each on the basis of one (1) ordinary share of RM0.67 each in Tasek into 0.67 ordinary share of RM1.00 each and 0.67 6% cumulative participating preference share of RM1.00 each in Tasek respectively.

B9 Group borrowings and debts securities

Total Group's short term borrowing (denominated in local currency) as at 30 June 2010 is as follows.

	RM'000
Bankers' Acceptances (unsecured)	<u>4,372</u>

B10 Gains/Losses arising from fair value changes of financial liabilities

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

B11 Material litigation

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

B12 Dividends

No interim dividend has been declared for the current quarter ended 30 June 2010 (2009 : Nil).

B13 Earnings per share

(I) Basic earnings per share

The earnings per share is calculated by dividing the Group's profit after taxation of RM35,321,000 (2009 : RM30,976,000) and deducting preference dividend of RM30,000 (2009 : RM23,000) and the proportion of profit attributable to preference shareholders of RM96,000 (2009 : RM84,000) for the Group by the weighted average number of ordinary shares in issue during the period of 184,539,000 (2009 : 184,877,000).

(II) Diluted earnings per share

The Company's Executive Share Option Scheme had ceased to exist effective 6 July 2009, there is no dilutive effect on the earnings per share from the current quarter.

In the preceding year, the diluted earnings per share was calculated by dividing the Group's profit after taxation of RM30,976,000 and deducting preference dividend of RM23,000 and the proportion of profit attributable to preference shareholders of RM84,000 and by the weighted average number of ordinary shares (diluted) during the period of 184,878,000 as calculated below :

Weighted average number of ordinary shares as above	184,877,000
Effect of share options	<u>1,000</u>
Weighted average number of ordinary shares (diluted)	<u>184,878,000</u>

BY ORDER OF THE BOARD

VINCENT CHOW POH JIN
COMPANY SECRETARY

27 JULY 2010
KUALA LUMPUR