



TASEK CORPORATION BERHAD  
(4698 - W)

## DIRECTORS' REPORT AND STATEMENT

for the year ended 30 June 2003

The Directors have pleasure in submitting their report, statement and the audited financial statements of the Group and of the Company for the year ended 30 June 2003.

### PRINCIPAL ACTIVITIES

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

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

### RESULTS

	GROUP RM'000	COMPANY RM'000
Net profit for the year	18,079	7,884

### DIVIDENDS

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

	RM'000
In respect of the year ended 30 June 2002 as proposed in the directors' report for that year:-	
Preference dividend of 6 sen less tax at 28%	22
Final dividend of 7 sen less tax at 28% on Cumulative Participating Preference Shares	25
Final dividend of 7 sen less tax at 28% on Ordinary Shares	9,204

The Directors have recommended the payment of a final dividend of 7 sen less tax at 28% on the cumulative participating preference shares and on ordinary shares and a further 6 sen less tax at 28% on the preference shares as follows:-

	RM'000
Preference dividend of 6 sen less tax at 28%	22
Final dividend of 7 sen less tax at 28% on Cumulative Participating Preference Shares	25
Final dividend of 7 sen less tax at 28% on Ordinary Shares	9,224

### RESERVES AND PROVISIONS

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



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### DIRECTORS

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

Tan Sri Quek Leng Chan  
David Tan Sek Yin  
Tan Eng Sim  
Kwek Leng Peck  
Tan Kah Ho  
Lim Eng Khoon  
Tan Saik Hock  
Dato' Loh Cheng Yean  
Datuk Dr. Hussein Awang  
Dato' Shamsul Bahari bin Salleh Khir  
Raja Dato' Seri Abdul Aziz bin Raja Salim  
Wrixon Frank Gasteen  
Teo Tong Kooi (appointed w.e.f. 2.1.2003)  
Kenichi Miura (alternate to Kwek Leng Peck, appointed w.e.f. 14.11.2002)

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 1.7.2002	Acquired	Disposed	At 30.6.2003
Tan Sri Quek Leng Chan	347,752	-	-	347,752
David Tan Sek Yin	382,338	-	-	382,338
Tan Eng Sim	16,000	-	-	16,000
Lim Eng Khoon	-	240,000	109,700	130,300
Tan Saik Hock	785,317	-	-	785,317
Dato' Shamsul Bahari bin Salleh Khir	1,113,333	-	-	1,113,333

	NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM1 EACH					
	Option Price RM	Balance at 1.7.2002	Granted	Exercised	Lapsed	Balance at 30.6.2003
David Tan Sek Yin	2.00	400,000	-	-	-	400,000
	2.42	25,000	-	-	-	25,000
Lim Eng Khoon	2.00	400,000	-	240,000	160,000	-
(retired as Executive Director on 1.4.2003)	2.42	25,000	-	-	25,000	-



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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 1.7.2002	Acquired	Disposed	At 30.6.2003
Tan Sri Quek Leng Chan	4,599,000	6,000	-	4,605,000
David Tan Sek Yin	1,440,012	-	-	1,440,012
Tan Eng Sim	1,434,311	-	-	1,434,311

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

In accordance with the Articles of Association, Kwek Leng Peck, Tan Kah Ho, Lim Eng Khoon and David Tan Sek Yin retire by rotation from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

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

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

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

### ISSUE OF SHARES

During the financial year, the Company issued 537,400 ordinary shares of RM1.00 each arising from the subscription of 537,400 ordinary shares of RM1.00 each under the Executive Share Option Scheme ("ESOS") at the exercise price of RM2.00 per share.

### OPTIONS GRANTED OVER UNISSUED SHARES

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



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

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

Date of offer	Option Price RM	NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM1 EACH				Balance at 30.6.2003
		Balance at 1.7.2002	Granted	Lapsed	Exercised	
8.3.2001	2.00	2,427,000	-	(618,200)	(537,400)	<b>1,271,400</b>
15.5.2002	2.42	289,000	-	(84,000)	-	<b>205,000</b>

There were no new options granted during the financial year.

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

The salient features of the scheme are as follows:-

- (a) the maximum aggregate number of shares to be offered under the ESOS shall not exceed 10% of the issued and paid-up ordinary share capital of the Company;
- (b) to be eligible for participation in the scheme, a person must satisfy the following conditions:-
  - (i) be of at least eighteen years of age; and
  - (ii) be an executive of the Group.
- (c) the Board may from time to time at its discretion select and identify Eligible Executives to be offered options;
- (d) an Executive Director of the Company shall only be eligible to participate in the scheme if he is involved in the day to day management and on the payroll of the Company or an Eligible Subsidiary;
- (e) an option holder may, in any particular year, exercise up to such maximum number of shares in the option certificate as determined by the Board or as specified in the option certificate;
- (f) the Board may at its discretion determine the share option price and the PVO price at any price provided that the share option price and the PVO price so fixed shall not be at a discount of more than ten percent (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares preceding the date of offer and shall in no event be less than the par value of the shares;



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- (g) an option holder may exercise his option only during his employment with the Group and within the option period subject to any maximum limit as determined by the Board under Bye-Law 9.3 and any other terms and conditions as may be contained in the option certificates;
- (h) an option holder may exercise his option or the balance thereof, in full or such lesser number of shares as the option holder may decide to exercise provided that such lesser number shall be in multiples of and not less than a Board Lot;
- (i) a share option cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever, save as provided in Bye-Law 17.5 and an offer for a PVO cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever, unless with the prior consent of the Board or as provided in Bye-Law 17.5; and
- (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;
- (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 the KLSE 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.

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

### USE OF INFORMATION TECHNOLOGY

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



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## DIRECTORS' REPORT AND STATEMENT

for the year ended 30 June 2003

### OTHER STATUTORY INFORMATION

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

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

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

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

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

In the opinion of the Directors:-

- (i) the results of the operations of the Group and of the Company for the financial year ended 30 June 2003 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report, and
- (ii) the financial statements set out on pages 41 to 73, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 June 2003 and of the results of their operations and cash flows for the year ended on that date.



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## **DIRECTORS' REPORT AND STATEMENT**

for the year ended 30 June 2003

### **AUDITORS**

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

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

**TEO TONG KOOI**  
MANAGING DIRECTOR

**DAVID TAN SEK YIN**  
EXECUTIVE DIRECTOR

Date: 20 August 2003





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## REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements set out on pages 41 to 73. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the state of affairs of the Group and of the Company at 30 June 2003 and the results of their operations and cash flows for the year ended on that date; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;

and

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

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

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

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

**KPMG**

Firm Number: AF-0758  
Chartered Accountants

**PETER HO KOK WAI**

Partner  
Approval Number: 1745/12/03 (J)

IPOH

Date: 20 August 2003



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## BALANCE SHEETS

as at 30 June 2003

	Note	GROUP		COMPANY	
		2003 RM'000	Restated 2002 RM'000	2003 RM'000	Restated 2002 RM'000
<b>PROPERTY, PLANT AND EQUIPMENT</b>	2	472,581	502,016	458,558	487,986
<b>SUBSIDIARY COMPANIES</b>	3	-	-	16,600	16,600
<b>ASSOCIATED COMPANIES</b>	4	84,182	74,079	26,117	26,117
<b>INVESTMENTS</b>	5	14,725	14,999	12,322	12,596
<b>DEVELOPMENT EXPENDITURE</b>	6	91	91	-	-
<b>CURRENT ASSETS</b>					
Inventories	7	33,934	37,563	33,897	37,552
Trade receivables	8	29,508	21,951	29,508	21,951
Other receivables, deposits and prepayments		1,896	2,317	1,602	2,098
Tax recoverable		3,250	3,371	3,240	3,371
Amounts due from subsidiary companies	9	-	-	8,363	8,469
Amounts due from associated companies	10	7	1,209	7	1,209
Short term deposits with licensed banks		5,810	3,750	5,810	3,750
Cash and bank balances		12,068	3,692	11,981	3,640
		86,473	73,853	94,408	82,040
Less:					
<b>CURRENT LIABILITIES</b>					
Trade payables		10,608	8,232	10,608	8,232
Other payables and accruals	11	20,017	21,721	19,655	21,537
Bank borrowings (unsecured)	12	8,668	18,168	8,668	18,168
		39,293	48,121	38,931	47,937
<b>NET CURRENT ASSETS</b>		47,180	25,732	55,477	34,103
		618,759	616,917	569,074	577,402
Financed by:					
<b>SHARE CAPITAL</b>	13	183,525	182,988	183,525	182,988
<b>RESERVES</b>	14	399,438	390,073	349,782	350,612
<b>SHAREHOLDERS' FUNDS</b>		582,963	573,061	533,307	533,600
<b>BANK BORROWINGS (UNSECURED)</b>	12	1,584	10,252	1,584	10,252
<b>RETIREMENT BENEFITS</b>	15	10,543	11,214	10,543	11,214
<b>DEFERRED TAXATION</b>	16	23,669	22,390	23,640	22,336
		618,759	616,917	569,074	577,402

The financial statements were approved and authorised for issue by the Board of Directors on 20 August 2003.

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



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## INCOME STATEMENTS

for the year ended 30 June 2003

	Note	GROUP		COMPANY	
		2003 RM'000	Restated 2002 RM'000	2003 RM'000	Restated 2002 RM'000
<b>REVENUE</b>	17	<b>228,689</b>	233,565	<b>228,689</b>	233,565
Cost of sales		<b>(168,457)</b>	(151,918)	<b>(168,457)</b>	(151,918)
<b>GROSS PROFIT</b>		<b>60,232</b>	81,647	<b>60,232</b>	81,647
Selling and distribution costs		<b>(42,782)</b>	(47,002)	<b>(42,782)</b>	(47,002)
Administrative expenses		<b>(12,745)</b>	(11,221)	<b>(12,399)</b>	(11,177)
Other operating income		<b>5,837</b>	4,032	<b>5,349</b>	4,042
<b>OPERATING PROFIT</b>	18	<b>10,542</b>	27,456	<b>10,400</b>	27,510
Finance costs	19	<b>(1,043)</b>	(1,883)	<b>(1,043)</b>	(1,883)
Interest income		<b>198</b>	77	<b>198</b>	77
Share of profit of associated companies		<b>13,009</b>	9,310	-	-
<b>PROFIT BEFORE TAXATION</b>		<b>22,706</b>	34,960	<b>9,555</b>	25,704
Tax expense	20	<b>(4,627)</b>	(10,794)	<b>(1,671)</b>	(7,654)
<b>NET PROFIT FOR THE YEAR</b>		<b>18,079</b>	24,166	<b>7,884</b>	18,050
<b>EARNINGS PER SHARE (sen)</b>					
Basic	22	<b>9.9</b>	13.2	<b>4.3</b>	9.8
Diluted	22	<b>9.9</b>	13.2	<b>4.3</b>	9.8
<b>GROSS DIVIDEND PER SHARE (sen)</b>					
6% Cumulative Participating Preference share	23	<b>13.0</b>	16.0	<b>13.0</b>	16.0
Ordinary Share	23	<b>7.0</b>	10.0	<b>7.0</b>	10.0

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



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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2003

Note	Share capital RM'000	<- Non-distributable ->		<- Distributable ->		Total RM'000	
		Share premium RM'000	Revaluation reserve RM'000	General reserve RM'000	Retained profits RM'000		
At 1 July 2001	182,980	132,404	14,132	115,347	132,348	577,211	
Effect of adopting MASB 25	25	-	-	(2,933)	-	(12,203)	(15,136)
Restated balance	182,980	132,404	11,199	115,347	120,145	562,075	
Issue of shares:							
Exercise of options	13	8	8	-	-	-	16
Net profit for the year							
- as restated		-	-	-	-	24,166	24,166
Dividends							
- 2001 final	23	-	-	-	-	(9,244)	(9,244)
- 2002 interim	23	-	-	-	-	(3,952)	(3,952)
At 30 June 2002	182,988	132,412	11,199	115,347	131,115	573,061	
At 1 July 2002	182,988	132,412	14,132	115,347	150,518	595,397	
Effect of adopting MASB 25	25	-	-	(2,933)	-	(19,403)	(22,336)
Restated balance	182,988	132,412	11,199	115,347	131,115	573,061	
Issue of shares:							
Exercise of options	13	537	537	-	-	-	1,074
Net profit for the year		-	-	-	-	18,079	18,079
Dividends							
- 2002 final	23	-	-	-	-	(9,251)	(9,251)
<b>At 30 June 2003</b>	<b>183,525</b>	<b>132,949</b>	<b>11,199</b>	<b>115,347</b>	<b>139,943</b>	<b>582,963</b>	

Note 13

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



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## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2003

	Note	<- Non-distributable ->			<- Distributable ->		Total RM'000
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	General reserve RM'000	Retained profits RM'000	
At 1 July 2001		182,980	132,404	14,132	115,347	99,003	543,866
Effect of adopting MASB 25	25	-	-	(2,933)	-	(12,203)	(15,136)
Restated balance		182,980	132,404	11,199	115,347	86,800	528,730
Issue of shares:							
Exercise of options	13	8	8	-	-	-	16
Net profit for the year							
- as restated		-	-	-	-	18,050	18,050
Dividends							
- 2001 final	23	-	-	-	-	(9,244)	(9,244)
- 2002 interim	23	-	-	-	-	(3,952)	(3,952)
At 30 June 2002		182,988	132,412	11,199	115,347	91,654	533,600
At 1 July 2002		182,988	132,412	14,132	115,347	111,057	555,936
Effect of adopting MASB 25	25	-	-	(2,933)	-	(19,403)	(22,336)
Restated balance		182,988	132,412	11,199	115,347	91,654	533,600
Issue of shares:							
Exercise of options	13	537	537	-	-	-	1,074
Net profit for the year		-	-	-	-	7,884	7,884
Dividends							
- 2002 final	23	-	-	-	-	(9,251)	(9,251)
<b>At 30 June 2003</b>		<b>183,525</b>	<b>132,949</b>	<b>11,199</b>	<b>115,347</b>	<b>90,287</b>	<b>533,307</b>

Note 13

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



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## CASH FLOW STATEMENTS

for the year ended 30 June 2003

	Note	GROUP		COMPANY	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<b>Cash flows from operating activities</b>					
Cash inflow from operations	24	38,984	34,994	38,847	34,941
Interest paid		(1,043)	(1,883)	(1,043)	(1,883)
Interest received		198	77	198	77
Taxation paid		(119)	(1,664)	(34)	(1,664)
Retirement benefits paid	15	(2,187)	(1,399)	(2,187)	(1,399)
		(3,151)	(4,869)	(3,066)	(4,869)
<i>Net cash inflow from operating activities</i>		<b>35,833</b>	30,125	<b>35,781</b>	30,072
<b>Cash flows from investing activities</b>					
Dividend received		4,188	3,191	4,181	3,184
Net rental expenses		(2)	(5)	(2)	(5)
Purchase of investment properties		-	(13)	-	(13)
Purchase of property, plant and equipment		(3,716)	(6,457)	(3,692)	(6,449)
Proceeds from disposal of investment properties		275	-	275	-
Proceeds from disposal of plant and equipment		203	4	203	4
<i>Net cash inflow/(outflow) from investing activities</i>		<b>948</b>	(3,280)	<b>965</b>	(3,279)
<b>Cash flows from financing activities</b>					
Proceeds from issuance of shares		1,074	16	1,074	16
Dividends paid		(9,251)	(13,196)	(9,251)	(13,196)
Repayment to bank		(18,168)	(18,912)	(18,168)	(18,912)
<i>Net cash outflow from financing activities</i>		<b>(26,345)</b>	(32,092)	<b>(26,345)</b>	(32,092)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>10,436</b>	(5,247)	<b>10,401</b>	(5,299)
<b>Cash and cash equivalents at beginning of year</b>		<b>7,442</b>	12,689	<b>7,390</b>	12,689
<b>Cash and cash equivalents at end of year</b>		<b>17,878</b>	7,442	<b>17,791</b>	7,390
<b>Cash and cash equivalents made up of:-</b>					
Short term deposits with licensed banks		5,810	3,750	5,810	3,750
Cash and bank balances		12,068	3,692	11,981	3,640
		<b>17,878</b>	7,442	<b>17,791</b>	7,390

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



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## NOTES TO THE FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the adoption of the following MASB standards:-

- (i) MASB 23, Impairment of Assets;
- (ii) MASB 24, Financial Instruments: Disclosure and Presentation; and
- (iii) MASB 25, Income Taxes

Apart from the inclusion of the new policies and extended disclosures where required by these new standards, the effects of the changes in the above accounting policies are disclosed in Note 25 to these financial statements.

#### 1.1 Basis of accounting

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

#### 1.2 Basis of consolidation

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

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

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

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



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## NOTES TO THE FINANCIAL STATEMENTS

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### 1.3 Associated companies

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

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

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

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

### 1.4 Property, plant and equipment

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

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

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

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

### 1.5 Depreciation

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

Leasehold land	- Amortised by equal annual instalments over the remaining life of the leases which vary between 28 and 80 years.
Buildings	- 4% per annum
Plant and machinery	- 6% per annum
Vehicles, furniture and equipment	- 20% per annum



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## NOTES TO THE FINANCIAL STATEMENTS

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### 1.6 Impairment

The carrying amounts of the Group's assets, other than inventories (refer Note 1.7), deferred tax assets (refer Note 1.8) and financial assets (other than investments in subsidiaries and associates), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

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

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

### 1.7 Inventories

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

### 1.8 Income tax

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

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

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

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



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## NOTES TO THE FINANCIAL STATEMENTS

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### 1.9 Foreign currency

#### (i) *Foreign currency transactions*

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

#### (ii) *Financial statements of foreign operations*

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

The closing rate used in translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations is USD1.00: RM3.80 (2002: USD1.00: RM3.80).

### 1.10 Retirement benefits

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

### 1.11 Investments

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

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

### 1.12 Development expenditure

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



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## NOTES TO THE FINANCIAL STATEMENTS

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### 1.13 Cash and cash equivalents

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

### 1.14 Share capital

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

### 1.15 Income recognition

#### (i) *Sale of goods*

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

#### (ii) *Dividend income*

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

#### (iii) *Interest income*

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

### 1.16 Finance costs

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

### 1.17 Receivables

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

### 1.18 Liabilities

Borrowings and trade and other payables are stated at cost.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2003

### 2. PROPERTY, PLANT AND EQUIPMENT

GROUP	COST/VALUATION										Total RM '000
	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			
1 July 2002	39,636	8,060	147	184,465	519,697	7,226	9,481	949			769,661
Additions	-	-	-	12	1,470	381	662	1,191			3,716
Transfers	-	-	-	431	1,173	-	-	(1,604)			-
Disposals	-	-	-	-	(72)	(647)	-	-			(719)
Write off	-	-	-	(7)	-	(12)	(60)	(112)			(191)
<b>Balance at 30 June 2003</b>	<b>39,636</b>	<b>8,060</b>	<b>147</b>	<b>184,901</b>	<b>522,268</b>	<b>6,948</b>	<b>10,083</b>	<b>424</b>			<b>772,467</b>
<b>ANALYSIS OF COST &amp; VALUATION AT 30 JUNE 2003</b>											
Valuation	24,755	8,060	-	53,251	-	-	-	-			86,066
Cost	14,881	-	147	131,650	522,268	6,948	10,083	424			686,401
	<u>39,636</u>	<u>8,060</u>	<u>147</u>	<u>184,901</u>	<u>522,268</u>	<u>6,948</u>	<u>10,083</u>	<u>424</u>			<u>772,467</u>
<b>DEPRECIATION</b>											
1 July 2002	-	1,675	73	57,968	192,263	6,939	8,727	-			267,645
Charge for the year	-	98	5	7,147	25,089	130	559	-			33,028
Charge for 2002	-	99	5	7,129	24,969	102	643	-			32,947
Disposals	-	-	-	-	(72)	(647)	-	-			(719)
Write off	-	-	-	-	-	(12)	(56)	-			(68)
<b>Balance at 30 June 2003</b>	<b>-</b>	<b>1,773</b>	<b>78</b>	<b>65,115</b>	<b>217,280</b>	<b>6,410</b>	<b>9,230</b>	<b>-</b>			<b>299,886</b>
<b>NET BOOK VALUE</b>											
<b>30 June 2003</b>	<b>39,636</b>	<b>6,287</b>	<b>69</b>	<b>119,786</b>	<b>304,988</b>	<b>538</b>	<b>853</b>	<b>424</b>			<b>472,581</b>
30 June 2002	39,636	6,385	74	126,497	327,434	287	754	949			502,016



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2003

### 2. 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
<b>COST/VALUATION</b>									
1 July 2002	25,932	8,060	147	184,041	519,600	7,166	9,461	949	755,356
Additions	-	-	-	-	1,460	381	660	1,191	3,692
Transfers	-	-	-	431	1,173	-	-	(1,604)	-
Disposals	-	-	-	-	(72)	(647)	-	-	(719)
Write off	-	-	-	(7)	-	(12)	(60)	(112)	(191)
<b>Balance at 30 June 2003</b>	<b>25,932</b>	<b>8,060</b>	<b>147</b>	<b>184,465</b>	<b>522,161</b>	<b>6,888</b>	<b>10,061</b>	<b>424</b>	<b>758,138</b>
<b>ANALYSIS OF COST &amp; VALUATION AT 30 JUNE 2003</b>									
Valuation	19,975	8,060	-	53,251	-	-	-	-	81,286
Cost	5,957	-	147	131,214	522,161	6,888	10,061	424	676,852
	<u>25,932</u>	<u>8,060</u>	<u>147</u>	<u>184,465</u>	<u>522,161</u>	<u>6,888</u>	<u>10,061</u>	<u>424</u>	<u>758,138</u>
<b>DEPRECIATION</b>									
1 July 2002	-	1,675	73	57,813	192,205	6,891	8,713	-	267,370
Charge for the year	-	98	5	7,129	25,083	125	557	-	32,997
Charge for 2002	-	99	5	7,112	24,963	111	627	-	32,917
Disposals	-	-	-	-	(72)	(647)	-	-	(719)
Write off	-	-	-	-	-	(12)	(56)	-	(68)
<b>Balance at 30 June 2003</b>	<b>-</b>	<b>1,773</b>	<b>78</b>	<b>64,942</b>	<b>217,216</b>	<b>6,357</b>	<b>9,214</b>	<b>-</b>	<b>299,580</b>
<b>NET BOOK VALUE</b>									
<b>30 June 2003</b>	<b>25,932</b>	<b>6,287</b>	<b>69</b>	<b>119,523</b>	<b>304,945</b>	<b>531</b>	<b>847</b>	<b>424</b>	<b>458,558</b>
30 June 2002	25,932	6,385	74	126,228	327,395	275	748	949	487,986



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## NOTES TO THE FINANCIAL STATEMENTS

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### 2. PROPERTY, PLANT AND EQUIPMENT (cont'd)

#### Revaluation

Land and building 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 building been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year would be as follow:-

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Freehold land	20,302	20,302	15,522	15,522
Long term leasehold land	1,153	1,169	1,153	1,169
Buildings	32,125	33,129	32,125	33,129
	<u>53,580</u>	<u>54,600</u>	<u>48,800</u>	<u>49,820</u>

### 3. SUBSIDIARY COMPANIES

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Unquoted shares at cost	-	-	16,600	16,600

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

	Place of incorporation	Unquoted shares at cost		Principal activities
		2003 RM	2002 RM	
Posek Pembangunan Sdn Bhd	Malaysia	7,000,002	7,000,002	Intention- property development
Tasek Cement Manufacturing Sdn Bhd	Malaysia	2	2	Dormant
Gunong Kuang Industrial Estate Sdn Bhd	Malaysia	9,600,002	9,600,002	Intention- property development
Tasek Investments (BVI) Ltd*	British Virgin Islands	5	5	Investment holding
TCB Equities (BVI) Ltd*	British Virgin Islands	5	5	Dormant

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



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## NOTES TO THE FINANCIAL STATEMENTS

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### 4. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Quoted shares at cost	5,725	5,725	5,725	5,725
Unquoted shares at cost	21,592	21,592	21,592	21,592
Add : Group's share of post acquisition profit	58,065	47,962	-	-
Less : Allowance for diminution in value	(1,200)	(1,200)	(1,200)	(1,200)
	<u>84,182</u>	<u>74,079</u>	<u>26,117</u>	<u>26,117</u>
Represented by :				
Group's share of net assets other than goodwill	<u>84,182</u>	<u>74,079</u>	<u>-</u>	<u>-</u>
Market value of quoted shares	<u>18,014</u>	<u>19,616</u>	<u>18,014</u>	<u>19,616</u>

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

	Group's Equity Interest		Financial Year	Principal activities
	2003	2002		
Cement Industries (Sabah) Sdn Bhd	30.00%	30.00%	31 December	Manufacture and sale of cement.
Padu-Wangsa Sdn Bhd	29.00%	29.00%	31 December	Intention to establish a clinker plant in Sabah.
Rock Chemical Industries (Malaysia) Berhad - quoted in Malaysia	23.63%	23.63%	31 December	Investment holding.



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## NOTES TO THE FINANCIAL STATEMENTS

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### 5. INVESTMENTS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<b>Shares - at cost</b>				
In Malaysian quoted corporations	1,980	1,980	1,980	1,980
In overseas quoted corporations	15,475	15,475	13,072	13,072
Less: Allowance for diminution in value	3,000	3,000	3,000	3,000
	12,475	12,475	10,072	10,072
In Malaysian unquoted corporation	3,936	3,936	3,936	3,936
Less: Allowance for diminution in value	3,936	3,936	3,936	3,936
	-	-	-	-
	14,455	14,455	12,052	12,052
<b>Investment properties - at cost</b>	370	644	370	644
Less: Allowance for diminution in value	100	100	100	100
	270	544	270	544
	14,725	14,999	12,322	12,596

The market value of the quoted investments are shown in Note 30.

### 6. DEVELOPMENT EXPENDITURE

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Balance at 1 July	91	80	-	-
Additions during the year	-	11	-	-
Balance at 30 June	91	91	-	-

### 7. INVENTORIES

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At cost:-				
Finished goods	2,574	3,806	2,574	3,806
Work-in-progress	3,719	6,529	3,719	6,529
Raw materials	4,178	5,379	4,178	5,379
Consumable stores	23,463	21,849	23,426	21,838
Balance at 30 June	33,934	37,563	33,897	37,552



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## NOTES TO THE FINANCIAL STATEMENTS

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### 8. TRADE RECEIVABLES

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables	31,928	24,371	31,928	24,371
Less: Allowance for doubtful debts	2,420	2,420	2,420	2,420
	<u>29,508</u>	<u>21,951</u>	<u>29,508</u>	<u>21,951</u>

### 9. AMOUNTS DUE FROM SUBSIDIARY COMPANIES

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

### 10. AMOUNTS DUE FROM ASSOCIATED COMPANIES

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

### 11. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Other payables	14,444	15,366	14,371	15,182
Accruals	5,573	6,355	5,284	6,355
	<u>20,017</u>	<u>21,721</u>	<u>19,655</u>	<u>21,537</u>

### 12. BANK BORROWINGS (UNSECURED)

#### 12.1 Short Term

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Bankers' acceptances	-	4,000	-	4,000
Long term borrowings repayable within 1 year (Note 12.2)	8,668	14,168	8,668	14,168
	<u>8,668</u>	<u>18,168</u>	<u>8,668</u>	<u>18,168</u>

The interest rates applicable to the bankers' acceptances ranged from 2.88% to 3.01% (2002: 2.89% to 3.50%) per annum.



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## NOTES TO THE FINANCIAL STATEMENTS

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### 12. BANK BORROWINGS (UNSECURED) (cont'd)

#### 12.2 Long Term

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Term loan	5,825	13,875	5,825	13,875
Revolving credit	4,427	10,545	4,427	10,545
	<b>10,252</b>	<b>24,420</b>	<b>10,252</b>	<b>24,420</b>
Less: Repayable within 1 year (Note 12.1)	8,668	14,168	8,668	14,168
	<b>1,584</b>	<b>10,252</b>	<b>1,584</b>	<b>10,252</b>

#### Terms and debt repayment schedule

The interest rates applicable to the term loan ranged from 5.4% to 7.0% (2002: 4.3% to 7.0%) per annum.

The interest rates applicable to the revolving credit ranged from 4.4% to 4.6% (2002: 4.7%) per annum.

Group/Company	Total	Under	1-2
	RM'000	1 year RM'000	years RM'000
Term loan (unsecured)	5,825	4,925	900
Revolving credit (unsecured)	4,427	3,743	684
	<b>10,252</b>	<b>8,668</b>	<b>1,584</b>

The main covenants of the above facilities are as follows:-

- (i) The Company will maintain adequate insurances in respect of its assets and business against all risks.
- (ii) The Company will notify the bank of any material event or adverse change in financial and operational condition of the Company and of any litigation or other proceedings being threatened or initiated against the Company.
- (iii) The Company will not, without the prior consent of the banks:-
  - create or permit a lien to exist over all or any part of its business or assets or undertaking any security interest [other than those permitted under Facilities Agreement, clause 9.1(a)];
  - make any loans to any persons, other than its related companies, or acquire capital stock, assets or obligation from any persons, except in the ordinary course of business;
  - change its memorandum and articles of association;
  - alter the authorised or issued and paid-up capital of the Company;
  - incur, assume, guarantee or permit to exist any indebtedness if, following such indebtedness, the Company's total debt would equal to or exceed RM160 million or a declaration of an Event of Default has been made;



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## NOTES TO THE FINANCIAL STATEMENTS

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### 12. BANK BORROWINGS (UNSECURED) (cont'd)

#### 12.2 Long Term

- declare or pay any dividend or bonus issue or make any distribution if a declaration of an Event of Default has been made or following the declaration or payment or making of a distribution, an Event of Default would be declared;
- enter into any partnership, profit-sharing, royalty agreement or other arrangement whereby the Company's income or profits are shared with other person, except in the ordinary course of business;
- enter into any transaction whereby the Company might pay more than the ordinary commercial price for any purchase or might receive less than the full commercial price for its products, except in the ordinary course of business;
- incur yearly capital expenditures exceeding RM40 million, other than capital expenditures related to the project partly financed under this facility; and
- change its key personnel or key management which would materially or adversely affect the Company's ability to perform its obligations under the agreement.

### 13. SHARE CAPITAL

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 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
	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
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	182,488	182,480	182,488	182,480
Issue during the year arising from Executive Share Option Scheme	537	8	537	8
As at 30 June	<u>183,025</u>	<u>182,488</u>	<u>183,025</u>	<u>182,488</u>
	<u>183,525</u>	<u>182,988</u>	<u>183,525</u>	<u>182,988</u>

During the financial year, the Company issued 537,400 ordinary shares of RM1 each arising from the subscription of 537,400 ordinary shares of RM1 under the Executive Share Option Scheme ("ESOS") at the exercise price of RM2.00 per share.



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### 13. SHARE CAPITAL (cont'd)

The details of options granted to subscribe for ordinary shares which were outstanding at 30 June 2003 are as follows:-

Date of offer	Option price RM	Number of ordinary shares of RM1 each
8.3.2001	2.00	1,271,400
15.5.2002	2.42	205,000
		<hr/> 1,476,400 <hr/>

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

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

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



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### 14. RESERVES

GROUP	Note	<- Non-distributable ->		<- Distributable ->		Total RM'000
		Share premium RM'000	Revaluation reserve RM'000	General reserve RM'000	Retained profits RM'000	
At 1 July 2001		132,404	14,132	115,347	132,348	394,231
Effect of adopting MASB 25	25	-	(2,933)	-	(12,203)	(15,136)
Restated balance		132,404	11,199	115,347	120,145	379,095
Issue of shares:						
Exercise of options	13	8	-	-	-	8
Net profit for the year						
- as restated		-	-	-	24,166	24,166
Dividends						
- 2001 final	23	-	-	-	(9,244)	(9,244)
- 2002 interim	23	-	-	-	(3,952)	(3,952)
At 30 June 2002		132,412	11,199	115,347	131,115	390,073
At 1 July 2002		132,412	14,132	115,347	150,518	412,409
Effect of adopting MASB 25	25	-	(2,933)	-	(19,403)	(22,336)
Restated balance		132,412	11,199	115,347	131,115	390,073
Issue of shares:						
Exercise of options	13	537	-	-	-	537
Net profit for the year		-	-	-	18,079	18,079
Dividends						
- 2002 final	23	-	-	-	(9,251)	(9,251)
<b>At 30 June 2003</b>		<b>132,949</b>	<b>11,199</b>	<b>115,347</b>	<b>139,943</b>	<b>399,438</b>



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### 14. RESERVES (cont'd)

COMPANY	Note	<- Non-distributable ->		<- Distributable ->		Total RM'000
		Share premium RM'000	Revaluation reserve RM'000	General reserve RM'000	Retained profits RM'000	
At 1 July 2001		132,404	14,132	115,347	99,003	360,886
Effect of adopting MASB 25	25	-	(2,933)	-	(12,203)	(15,136)
Restated balance		<u>132,404</u>	<u>11,199</u>	<u>115,347</u>	<u>86,800</u>	<u>345,750</u>
Issue of shares:						
Exercise of options	13	8	-	-	-	8
Net profit for the year						
- as restated		-	-	-	18,050	18,050
Dividends						
- 2001 final	23	-	-	-	(9,244)	(9,244)
- 2002 interim	23	-	-	-	(3,952)	(3,952)
At 30 June 2002		<u>132,412</u>	<u>11,199</u>	<u>115,347</u>	<u>91,654</u>	<u>350,612</u>
At 1 July 2002		132,412	14,132	115,347	111,057	372,948
Effect of adopting MASB 25	25	-	(2,933)	-	(19,403)	(22,336)
Restated balance		<u>132,412</u>	<u>11,199</u>	<u>115,347</u>	<u>91,654</u>	<u>350,612</u>
Issue of shares:						
Exercise of options	13	537	-	-	-	537
Net profit for the year		-	-	-	7,884	7,884
Dividends						
- 2002 final	23	-	-	-	(9,251)	(9,251)
<b>At 30 June 2003</b>		<u><b>132,949</b></u>	<u><b>11,199</b></u>	<u><b>115,347</b></u>	<u><b>90,287</b></u>	<u><b>349,782</b></u>

General reserve was transferred from retained profits in previous years.

The Company has sufficient credit under Section 108 of the Income Tax Act, 1967 to frank payment of dividends out of all its distributable reserves at 30 June 2003 without incurring additional taxation subject to agreement by the Inland Revenue Board.

The Company also has approximately RM57,852,000 (2002: RM54,039,000) tax exempt income arising from tax waived income in 1999 and from incentives claimed under the Income Tax Act, 1967, Promotion of Investments Act, 1986 and Investment Incentive Act, 1968 available for distribution as tax exempt dividends subject to agreement by the Inland Revenue Board.



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## NOTES TO THE FINANCIAL STATEMENTS

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### 15. RETIREMENT BENEFITS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Balance at 1 July	11,214	11,264	11,214	11,264
Charge for the year	1,516	1,349	1,516	1,349
	<u>12,730</u>	<u>12,613</u>	<u>12,730</u>	<u>12,613</u>
Less: Payments during the year	2,187	1,399	2,187	1,399
Balance at 30 June	<u>10,543</u>	<u>11,214</u>	<u>10,543</u>	<u>11,214</u>

### 16. DEFERRED TAXATION

	GROUP		COMPANY	
	2003 RM'000	Restated 2002 RM'000	2003 RM'000	Restated 2002 RM'000
Balance at 1 July (as restated)	22,390	15,136	22,336	15,136
Transfer from Income Statement (Note 20.1)	1,279	7,254	1,304	7,200
Balance at 30 June	<u>23,669</u>	<u>22,390</u>	<u>23,640</u>	<u>22,336</u>

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

	COMPANY	
	2003 RM'000	Restated 2002 RM'000
Property, plant and equipment		
- Capital allowances in excess of depreciation	54,131	49,482
- Revaluation, net of related depreciation	2,140	2,330
Allowance for doubtful debts	(678)	(678)
Unabsorbed capital allowances	(28,544)	(25,293)
Others	(3,409)	(3,505)
	<u>23,640</u>	<u>22,336</u>

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

A subsidiary company has deferred tax liabilities amounting to RM29,000 (2002: RM54,000) arising from taxable temporary differences on property, plant and equipment.



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## NOTES TO THE FINANCIAL STATEMENTS

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### 17. REVENUE

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

### 18. OPERATING PROFIT

Operating profit is arrived at:-

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
After charging:-				
Allowance for diminution in investments	-	4,300	-	4,300
Auditors' remuneration				
- current year	39	39	38	38
- underprovision in previous year	1	-	-	-
Depreciation and amortisation (Note 2)	33,028	32,947	32,997	32,917
Directors' remuneration				
- Fees - non-executive directors	247	388	247	388
- executive directors	95	88	95	88
- Salaries - executive directors	1,068	840	1,068	840
- Bonuses and allowances				
- executive directors	249	361	249	361
Consumable stores written off	552	-	552	-
Plant and equipment written off	123	3	123	3
Retirement benefits charged	1,516	1,349	1,516	1,349
Rental of machinery	694	559	694	559
Rental of land and buildings	285	243	285	243
Retrenchment benefit	12	147	6	-
and crediting:-				
Allowance for doubtful debts written back	-	4,547	-	4,547
Bad debts recovered	-	30	-	30
Gain on disposal of plant and equipment	203	4	203	4
Gross dividends received from associated companies				
- quoted in Malaysia	1,101	100	1,101	100
- unquoted	2,520	2,100	2,520	2,100
Gross dividends received from investments				
- quoted overseas	199	160	192	153
- quoted in Malaysia	571	1,206	571	1,206
Gross rental income from investment properties	10	-	10	-

The estimated monetary value of Directors' benefits-in-kind is RM 42,248 (2002: RM27,095).



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## NOTES TO THE FINANCIAL STATEMENTS

30 June 2003

### 19. FINANCE COSTS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Term loan interest	898	1,683	898	1,683
Bankers' acceptances interest	145	200	145	200
	<u>1,043</u>	<u>1,883</u>	<u>1,043</u>	<u>1,883</u>

### 20. TAX EXPENSE

#### 20.1 Components of tax expense:

	GROUP		COMPANY	
	2003 RM'000	Restated 2002 RM'000	2003 RM'000	Restated 2002 RM'000
Taxation for the year	442	454	367	454
Transfer to deferred taxation account (Note 16)	1,279	7,254	1,304	7,200
Share of associated companies' taxation	2,906	3,086	-	-
	<u>4,627</u>	<u>10,794</u>	<u>1,671</u>	<u>7,654</u>

The Group and the Company has unutilised reinvestment allowances amounting to RM218,000,000 (2002: RM216,000,000), subject to the agreement by the Inland Revenue Board.

#### 20.2 Reconciliation of effective tax rate:

GROUP	2003	2003	Restated	Restated
	%	RM'000	2002	2002
			%	RM'000
Profit before taxation		<u>22,706</u>		34,960
Income tax using Malaysian Tax rates	28.0	6,358	28.0	9,789
Non-deductible expenses	1.4	328	5.9	2,068
Non-taxable income	(11.0)	(2,501)	(4.3)	(1,517)
Non-business income	1.9	442	1.3	454
Tax expense	<u>20.3</u>	<u>4,627</u>	<u>30.9</u>	<u>10,794</u>
<b>COMPANY</b>				
Profit before taxation		<u>9,555</u>		25,704
Income tax using Malaysian Tax rates	28.0	2,675	28.0	7,197
Non-deductible expenses	3.4	328	5.9	1,520
Non-taxable income	(17.7)	(1,699)	(5.9)	(1,517)
Non-business income	3.8	367	1.8	454
Tax expense	<u>17.5</u>	<u>1,671</u>	<u>29.8</u>	<u>7,654</u>



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## NOTES TO THE FINANCIAL STATEMENTS

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### 21. EMPLOYEE INFORMATION

	GROUP		COMPANY	
	2003	2002	2003	2002
Employee costs (RM'000)	20,756	20,325	20,680	20,126
Average number of employees	625	642	599	634

### 22. EARNINGS PER SHARE

#### *Basic earnings per share*

The earnings per share is calculated by dividing the Group's earnings after taxation of RM18,079,000 (2002: RM24,166,000) and the Company's earnings after taxation of RM7,884,000 (2002: RM18,050,000) and deducting preference dividend of RM22,000 (2002: RM32,000) and the proportion of profit attributable to preference shareholders of RM49,000 (2002: RM66,000) for the Group and RM21,000 (2002: RM49,000) for the Company by the weighted average number of ordinary shares in issue during the year of 182,735,000 (2002: 182,480,000).

#### *Diluted earnings per share*

The diluted earnings per share is calculated by dividing the Group's earnings after taxation of RM18,079,000 (2002: RM24,166,000) and the Company's earnings after taxation of RM7,884,000 (2002: RM18,050,000) and deducting preference dividend of RM22,000 (2002: RM32,000) and the proportion of profit attributable to preference shareholders of RM49,000 (2002: RM66,000) for the Group and RM21,000 (2002: RM49,000) for the Company by the weighted average number of ordinary shares (diluted) during the year of 182,910,000 (2002: 182,711,000).

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

Weighted average number of ordinary shares as above	182,735,000
Effect of share options	175,000
Weighted average number of ordinary shares (diluted)	<u>182,910,000</u>



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## NOTES TO THE FINANCIAL STATEMENTS

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### 23. DIVIDENDS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Interim paid				
- Cumulative Participating Preference of NIL (2002: 3 sen less tax at 28%)	-	11	-	11
- Ordinary of NIL (2002: 3 sen less tax at 28%)	-	3,941	-	3,941
	-	3,952	-	3,952
Proposed final				
- Preference 6 sen less tax at 28% (2002: 6 sen less tax at 28%)	22	22	22	22
- Cumulative Participating Preference 7 sen less tax at 28% (2002: 7 sen less tax at 28%)	25	25	25	25
- Ordinary 7 sen less tax at 28% (2002: 7 sen less tax at 28%)	9,224	9,204	9,224	9,204
	<b>9,271</b>	<b>13,203</b>	<b>9,271</b>	<b>13,203</b>

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

### 24. NOTES TO THE CASH FLOW STATEMENTS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Profit before taxation	22,706	34,960	9,555	25,704
Adjustments for:-				
Depreciation and amortisation	33,028	32,947	32,997	32,917
Dividend income	(4,390)	(3,566)	(4,383)	(3,559)
Gain on disposal of investment properties	(1)	-	(1)	-
Gain on disposal of plant and equipment	(203)	(4)	(203)	(4)
Interest expense	1,043	1,883	1,043	1,883
Interest income	(198)	(77)	(198)	(77)
Net rental expenses	2	5	2	5
Plant and equipment written off	123	3	123	3
Allowance for diminution in investments	-	4,300	-	4,300
Profit retained in associated companies	(13,009)	(9,310)	-	-
Retirement benefits charged	1,516	1,349	1,516	1,349
	<b>17,911</b>	<b>27,530</b>	<b>30,896</b>	<b>36,817</b>



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## NOTES TO THE FINANCIAL STATEMENTS

30 June 2003

### 24. NOTES TO THE CASH FLOW STATEMENTS (cont'd)

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Profit before working capital changes	40,617	62,490	40,451	62,521
Repayment from/(Advances to) subsidiary companies	-	-	106	(91)
Development expenditure paid	-	(11)	-	-
Increase in trade and other receivables	(7,136)	(7,105)	(7,061)	(7,015)
Decrease/(Increase) in inventories	3,629	(5,799)	3,655	(5,796)
Increase/(Decrease) in trade and other payables	672	(14,207)	494	(14,304)
Repayment from/(Advances to) associated companies	1,202	(374)	1,202	(374)
Cash inflow from operations	<u>38,984</u>	<u>34,994</u>	<u>38,847</u>	<u>34,941</u>

### 25. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT

In the current financial year, the Group and the Company adopted three new MASB Standards. The adoption of these new standards resulted in changes in accounting policies as follows:-

- MASB 23, Impairment of Assets which is applied prospectively. The adoption of this standard has no material impact on the financial statements; and
- MASB 24, Financial Instruments: Disclosure and Presentation, which has been adopted prospectively.
- MASB 25, Income Taxes which has been adopted retrospectively. Comparative figures have been adjusted to reflect the change in this accounting policy.

The adoption of MASB 25 has resulted in the recognition in full of all taxable temporary differences including surplus on revaluation of properties. Previously, deferred tax liabilities were not provided if no liability was expected to and in the foreseeable future and there were no indications that timing differences would reverse thereafter. The adoption of MASB 25 has also resulted in the non-recognition of unutilised reinvestment allowances claimed on capital expenditure as deferred tax assets.



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## NOTES TO THE FINANCIAL STATEMENTS

30 June 2003

### 25. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT (cont'd)

This change in accounting policy, applied retrospectively, has the following impact on results as follows:-

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Net profit before change in accounting policy	19,358	31,366	9,188	25,250
Effect of adopting MASB 25	(1,279)	(7,200)	(1,304)	(7,200)
Net profit for the year	<u>18,079</u>	<u>24,166</u>	<u>7,884</u>	<u>18,050</u>

#### *Prior year adjustment*

The change in accounting policy due to the adoption of MASB 25 has been accounted for by restating comparatives and adjusting the opening balance of retained profits at 1 July 2001 as disclosed in Note 31 and in the statement of changes in equity respectively.

### 26. CAPITAL COMMITMENTS

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

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Property, plant and equipment:				
Approved and contracted for	-	47	-	47
Approved but not contracted for	9,504	20,583	9,504	20,583
	<u>9,504</u>	<u>20,630</u>	<u>9,504</u>	<u>20,630</u>

### 27. RELATED PARTIES

#### *Identity of related parties*

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

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



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## NOTES TO THE FINANCIAL STATEMENTS

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### 27. RELATED PARTIES (cont'd)

#### Related party transactions

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

<i>Transactions</i>	COMPANY	
	2003 RM'000	2002 RM'000
<b>With Director:-</b>		
Rental paid to Dato' Tan Eng Soon	32	-
<b>With companies in which certain Directors have interests:-</b>		
Freight charges paid to:		
Syarikat Perniagaan Serbaneka (PK) Sdn Bhd	7,831	8,130
Pengangkutan Tasek Sdn Bhd	3,186	3,902
Payment of insurance premium to:		
Asia Insurance (M) Bhd	224	220
Asia Life (M) Berhad	59	52
BIB Insurance Brokers Sdn Bhd	3,321	928
Share registrar expenses paid to		
Hong Leong Nominees Sdn Bhd	59	58
Rental paid to Bedford Land Sdn Bhd	-	192
Rental paid to Hong Leong Assurance Berhad	209	17
Rental received from Syarikat Perniagaan Serbaneka (PK) Sdn Bhd	473	265
Management fees received from Cement Industries (Sabah) Sdn Bhd	11	116
Sales of cement and clinker to:		
Hong Leong Marketing Co Bhd	36,250	38,495
Bakajaya Sdn Bhd	4,117	5,746
Lipro Trading Sdn Bhd	7,173	8,325
RCI Marketing Sdn Bhd	109	210
Kimsik Co Sdn Bhd	16,164	20,602
Cement Industries (Sabah) Sdn Bhd	13,410	12,602
<b>With companies in which certain close members of certain Directors have interests:-</b>		
Sales of cement to:		
Indra Jati Sdn Bhd	2,385	2,931
Simen Gaya Bersatu Sdn Bhd	4,585	6,798
Soo Ee & Co Sdn Bhd	4,127	4,637
First Direct Line Sdn Bhd	1,241	1,545
Freight charges paid to:		
Pengangkutan Mahausaha Sdn Bhd	1,672	2,448

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



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## NOTES TO THE FINANCIAL STATEMENTS

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### 28. DIRECTORS' REMUNERATION

Directors' remuneration for the year ended 30 June 2003 in successive bands of RM50,000 are as follows:-

Directors' remuneration	Number of Directors		Total	
	Executive directors	Non-executive directors	2003	2002
RM0 to RM50,000	1	11	12	12
RM50,001 to RM100,000	-	-	-	2
RM100,001 to RM150,000	-	-	-	-
RM150,001 to RM200,000	-	-	-	-
RM200,001 to RM250,000	-	-	-	-
RM250,001 to RM300,000	1	-	1	-
RM300,001 to RM350,000	-	-	-	-
RM350,001 to RM400,000	-	-	-	-
RM400,001 to RM450,000	1	-	1	-
RM450,001 to RM500,000	-	-	-	-
RM500,001 to RM550,000	-	-	-	-
RM550,001 to RM600,000	-	-	-	1
RM600,001 to RM650,000	1	-	1	-
RM650,001 to RM700,000	-	-	-	1
	<u>4</u>	<u>11</u>	<u>15</u>	<u>16</u>

### 29. SEGMENTAL INFORMATION

No segmental information is disclosed as the Company only engages 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 risk arises in the normal course of the Group and the Company's business. The Group and the Company have written risk management policies and guidelines which sets out their overall business strategies, their tolerance to risk and their general risk management philosophy. Such written policies are reviewed annually by the Board of Directors, and quarterly reviews are undertaken to ensure that the Group and the Company's policy guidelines are adhered to.

#### Credit risk

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

At balance sheet date, there were no significant concentrations of credit risk except for amounts owing from 1 customer which make up 18% of total trade receivables, which are monitored closely by the Management. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.



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## NOTES TO THE FINANCIAL STATEMENTS

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### 30. FINANCIAL INSTRUMENTS (cont'd)

#### *Foreign exchange risk*

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

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

#### *Interest rate risk*

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

In the current low interest rate scenario, the Group and the Company borrows for operations at varying rates using its floating rate credit facilities.

#### *Effective interest rates analysis*

The following table shows information about the enterprise's exposure to interest rate risk.

GROUP	Effective interest rate %	Total RM'000	Within 1 year RM'000
2003			
<b>Financial assets</b>			
Short term deposits with licensed banks	2.2 - 2.4	5,810	5,810
<b>COMPANY</b>			
2003			
<b>Financial assets</b>			
Short term deposits with licensed banks	2.2 - 2.4	5,810	5,810
<b>GROUP</b>			
2002			
<b>Financial assets</b>			
Short term deposits with licensed banks	1.8 - 2.5	3,750	3,750
<b>Financial liabilities</b>			
Bankers' acceptances (unsecured)	2.9 - 3.5	4,000	4,000



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## NOTES TO THE FINANCIAL STATEMENTS

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### 30. FINANCIAL INSTRUMENTS (cont'd)

COMPANY	Effective interest rate %	Total RM'000	Within 1 year RM'000
<b>2002</b>			
<b>Financial assets</b>			
Short term deposits with licensed banks	1.8 - 2.5	3,750	3,750
<b>Financial liabilities</b>			
Bankers' acceptances (unsecured)	2.9 - 3.5	4,000	4,000

#### Fair value

#### *Recognised financial instruments*

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

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

GROUP	2003		2002	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Financial assets</b>				
<b><i>Investments</i></b>				
Quoted shares - in Malaysia	1,980	9,779	1,980	9,966
Quoted shares - overseas	12,475	16,865	12,475	16,730
<b>COMPANY</b>				
<b>Financial assets</b>				
<b><i>Investments</i></b>				
Quoted shares - in Malaysia	1,980	9,779	1,980	9,966
Quoted shares - overseas	10,072	16,189	10,072	16,009

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



TASEK CORPORATION BERHAD  
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## NOTES TO THE FINANCIAL STATEMENTS

30 June 2003

### 30. FINANCIAL INSTRUMENTS (cont'd)

It is not practicable to estimate the fair value of the investment properties amounting to RM269,924 (2002: RM543,954) at balance sheet date due to the lack of quoted market prices and the inability to estimate fair values without incurring excessive costs. However, the Directors believe that the carrying amounts recorded at balance sheet date approximate the corresponding fair values.

The term loan and revolving credit facilities amounting to RM900,000 (2002: RM5,825,000) and RM684,000 (2002: RM4,427,000) respectively at balance sheet date are floating rate loans and can be terminated by either party at any time before the expiry of the loans period. Therefore, the fair value of the term loan and revolving credits closely approximate their carrying value as at the balance sheet date.

### 31. COMPARATIVE FIGURES

The following comparatives have been restated to reflect the change in accounting policy as explained in Note 25.

	GROUP		COMPANY	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
<b>Balance sheet</b>				
Deferred taxation	22,390	54	22,336	-
<b>Income statement</b>				
Profit before taxation	34,960	34,960	25,704	25,704
Tax expense	(10,794)	(3,594)	(7,654)	(454)
Net profit for the year	24,166	31,366	18,050	25,250
<b>Earnings per share (sen)</b>				
Basic	13.2	17.1	9.8	13.8
Diluted	13.2	17.1	9.8	13.8
<b>Statement of changes in equity</b>				
Retained profit at 1 July 2001	120,145	132,348	86,800	99,003
Retained profit at 30 June 2002	131,115	150,518	91,654	111,057
Revaluation reserve at 1 July 2001/ 30 June 2002	11,199	14,132	11,199	14,132



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## LIST OF PROPERTIES

Location	Tenure	Area	Estimated Age of Building	Description & Existing use	Net Book Value RM'000	Year of Revaluation/ Acquisition
<b>A. OWNED BY TASEK CORPORATION BERHAD</b>						
1 Lot 15667 (CT.15208) Chemor Mukim Ulu Kinta Perak	Freehold	97a 2r 35p	-	Agricultural / Clay extraction	391	1985
2 Lot 44409 (CT.25294) Tasek Mukim Ulu Kinta Perak	Freehold	9a 3r 16p	-	Agricultural / Future Development	857	1985
3 Lot 15030 (CT.3500) Tasek Mukim Ulu Kinta Perak	Freehold	2a 3r 21p	-	Agricultural / Storage Yard	276	1985
4 Lot 24862 (CT.5399) Tasek Mukim Ulu Kinta Perak	Freehold	0a 3r 32p	-	Agricultural / Future Development	68	1985
5 Lot 13777 (CT.8522) Tasek Mukim Ulu Kinta Perak	Freehold	8a 3r 28p	-	Agricultural / Future Development	840	1985
6 Lot 24861 (CT.5398) Tasek Mukim Ulu Kinta Perak	Freehold	1a 3r 32p	-	Agricultural / Future Development	184	1985
7 Lot 44410 (CT.25295) Tasek Mukim Ulu Kinta Perak	Freehold	9a 3r 12p	-	Agricultural / Storage Yard	1,069	1985
8 Lot 15033 (CT.15395) Tasek Mukim Ulu Kinta Perak	Freehold	3a 3r 24p	-	Agricultural / Storage Yard	357	1985
9 Lot 601 (G.8466) Jln Kuala Kangsar Mukim Ulu Kinta Perak	Freehold	26a 1r 29p	-	Agricultural / Storage Yard	3,624	1985
10 Lot 16908 (G.8447) Tasek Mukim Ulu Kinta Perak	Freehold	4a 1r 19p	-	Agricultural / Future Development	177	1985
11 Lot 24863 (G.8449) Tasek Mukim Ulu Kinta Perak	Freehold	1a 2r 9p	-	Agricultural / Future Development	131	1985
12 Lot 233 (PN.2306) Jln Kuala Kangsar Mukim Ulu Kinta Perak	Freehold	18a 3r 36p	-	Agricultural / Future Development	2,667	1985
13 Lot 15627 (CT.9378) Tasek Mukim Ulu Kinta Perak	Freehold	2a 2r 0p	-	Agricultural / Future Development	237	1985
14 Lot 19899 (CT.11746) Tasek Mukim Ulu Kinta Perak	Freehold	5a 2r 32p	-	Agricultural/Storage Yard	496	1985
15 Lot 17127 (CT.10917) Tasek Mukim Ulu Kinta Perak	Freehold	3a 3r 29p	-	Agricultural / Future Development	360	1985
16 Lot 15032 (CT.9247) Tasek Mukim Ulu Kinta Perak	Freehold	3a 3r 27p	-	Agricultural / Future Development	369	1985
17 Lot 21354 (CT.14706) Tasek Mukim Ulu Kinta Perak	Freehold	3a 1r 27p	-	Agricultural / Future Development	230	1985
18 Lot 44411 (CT.25296) Tasek Mukim Ulu Kinta Perak	Freehold	20a 1r 5p	-	Industrial / Future Development	3,094	1985



TASEK CORPORATION BERHAD  
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## LIST OF PROPERTIES

Location	Tenure	Area	Estimated Age of Building	Description & Existing use	Net Book Value RM'000	Year of Revaluation/ Acquisition
<b>A. OWNED BY TASEK CORPORATION BERHAD</b>						
19 Lot 43100 (CT.28442) Persiaran Tasek, Kwsn PerindustrianTasek Mukim Ulu Kinta Perak Factory Building	Freehold	5a 0r 0p	1 to 39	Industrial / Factory Site	1,381	1985
20 Lot 43101 (CT.28443) Persiaran Tasek, Kwsn PerindustrianTasek Mukim Ulu Kinta Perak Factory Building	Freehold	4a 3r 39p	-	Industrial / Factory Site	1,087	1985
21 Lot 22548 (CT.8990) Persiaran Tasek, Kwsn PerindustrianTasek Mukim Ulu Kinta Perak Factory Building	Freehold	2a 1r 39p	1 to 39	Industrial / Factory Site	882	1985
22 Lot 22547 (CT.8448) Persiaran Tasek, Kwsn PerindustrianTasek Mukim Ulu Kinta Perak Factory Building	Freehold	2a 1r 39p	1 to 39	Industrial / Factory Site	2,491	1985
23 Lot14661 (CT.9236) Persiaran Tasek, Kwsn PerindustrianTasek Mukim Ulu Kinta Perak Factory Building	Freehold	4a 3r 33p	-	Industrial / Factory Site	1,402	1985
24 Lot 14662 (G.9002) Persiaran Tasek, Kwsn PerindustrianTasek Mukim Ulu Kinta Perak Factory Building	Freehold	8a 1r 36p	1 to 39	Industrial / Factory Site	2,469	1985
25 Lot 15029 (G.9245) Tasek Mukim Ulu Kinta Perak	Freehold	3a 0r 32p	-	Agricultural / Future Development	368	1985
26 Lot 14870 (G.8977) Tasek Mukim Ulu Kinta Perak	Freehold	4a 3r 5p	-	Agricultural / Future Development	576	1985
27 Lot 15031 (G.22300) Tasek Mukim Ulu Kinta Perak	Freehold	4a 0r 10.79p	-	Agricultural / Future Development	383	1985
28 Lot 21989 (G.22303) Chemor Mukim Ulu Kinta Perak	Freehold	47a 3r 35p	-	Agricultural / Future Development	757	1985
29 Lot 1552 (MG.136) Sungai Buloh Mukim Gombak Selangor Factory Building	Freehold	2a 3r 20p	7	Bulk Terminal / Storage Packing	14,722	1995*



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## LIST OF PROPERTIES

Location	Tenure	Area	Estimated Age of Building	Description & Existing use	Net Book Value RM'000	Year of Revaluation/ Acquisition
<b>A. OWNED BY TASEK CORPORATION BERHAD</b>						
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 39	Industrial / Factory Site	104,028	1985
31 Lot PT.59 (HS (D) 1865/83) Kampung Acheh Mukim Lumut Perak Store	Leasehold Expiring in 2082	25a 1r 24.8p	20	Industrial / Storage Yard & Jetty	2,372	1985
32 Lot PT.160443 (HS(D)KA 83030) Batu 3 1/2 Jln Kuala Kangsar Mukim Ulu Kinta Perak	Leasehold Expiring in 2030	38.77a	-	Limestone Quarry	31	1985
33 Lot PT.160403,160402 & 160404 HS(D)KA 83028, 83027 & 83029 Batu 3 1/2 Jln Kuala Kangsar Mukim Ulu Kinta Perak	Leasehold Expiring in 2030	3.38a) 25.02a) 17.31a)	-	Limestone Quarry	43	1985
<b>B. OWNED BY POSEK PEMBANGUNAN SDN BHD</b>						
1 Lot 399 (CT.MK1) Seberang Perai Mukim Perai Pulau Pinang	Freehold	2a 2r 4p	-	Vacant Land / Future Development	2,400	2001
2 Lot 11954 (CT.5797) Jln Kuala Kangsar Mukim Ulu Kinta Perak	Freehold	21a 2r 3p	-	Commercial Land for Development	6,900	2001
<b>C. OWNED BY GUNONG KUANG INDUSTRIAL ESTATE SDN BHD</b>						
1 Lot 12397 (GT.15229) Chemor Mukim Ulu Kinta Perak	Freehold	149a 3r 7p	-	Agricultural / Future Development	1,914	2001
2 Lot 15474 (GT.9401) Chemor Mukim Ulu Kinta Perak	Freehold	15a 1r 2p	-	Agricultural / Future Development	195	2001
3 Lot 17286 (GT.10417) Chemor Mukim Ulu Kinta Perak	Freehold	9a 1r 13p	-	Agricultural / Future Development	119	2001
4 Lot 19705 (GT.12138) Chemor Mukim Ulu Kinta Perak	Freehold	0a 2r 37p	-	Agricultural / Future Development	9	2001
5 Lot 34057 & 34059 (GT.14286) Chemor Mukim Ulu Kinta Perak	Freehold	237a 1r 12p	-	Agricultural / Future Development	3,033	2001
6 Lot 34582 (GT.19216) Chemor Mukim Ulu Kinta Perak	Freehold	4a 2r 30p	-	Agricultural / Future Development	58	2001
7 Lot 36233 (GT.16280) Chemor Mukim Ulu Kinta Perak	Freehold	579a 3r 0p	-	Agricultural / Future Development	7,409	2001



TASEK CORPORATION BERHAD  
(4698 - W)

**PROXY FORM**  
42nd ANNUAL GENERAL MEETING

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 42nd Annual General Meeting of the Company to be held in Kuala Lumpur on Tuesday, 28 October 2003 at 3.30 p.m. or at any adjournment thereof.

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

NO	RESOLUTIONS	FOR	AGAINST
1	To receive the Accounts and Reports for the financial year ended 30 June 2003		
2	To declare a Final Dividend of 7% per share less income tax of 28%		
3	To approve the payment of Directors' fees		
4	To elect Teo Tong Kooi, a director appointed during the year who retires under Article 85 of the Articles of Association		
	To re-elect the following Directors who retire by rotation under Article 94 of the Articles of Association:-		
5	Kwek Leng Peck		
6	Tan Kah Ho		
7	Lim Eng Khoon		
8	David Tan Sek Yin		
9	To re-appoint Messrs. KPMG as Auditors and to authorise the Directors to fix their remuneration		
	As special business, to approve the following resolutions:-		
10	Authority To Directors to Issue Shares		
11	Renewal of Authority for the Purchase of Own Shares by the Company		
12	Renewal of Mandate on Recurrent Related Party Transactions		
13	Amendment of Article 132 of the Company's Articles of Association		

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

<b>Number of Shares held</b>	
------------------------------	--

Date \_\_\_\_\_ 2003

Signature of Shareholder \_\_\_\_\_

**Notes**

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- (3) The Form of Proxy must be deposited at the Registered Office of the Company at Level 5, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur 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**

(4698-W)

Level 5, Wisma Hong Leong,  
18 Jalan Perak,  
50450 Kuala Lumpur

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