

# Annual Report



## Laporan Tahunan



**PEMBINAAN LIMBONGAN SETIA BERHAD**  
(Company No. 160032-K)

2000

# CONTENTS



<i>Corporate Profile</i>	<i>2</i>
<i>Corporate Information</i>	<i>3</i>
<i>Notice Of Thirteenth Annual General Meeting</i>	<i>4</i>
<i>Executive Chairman's Statement</i>	<i>5</i>
<i>Audit Committee</i>	<i>6</i>
<i>Directors' Report</i>	<i>7</i>
<i>Balance Sheet</i>	<i>10</i>
<i>Profit And Loss Account</i>	<i>11</i>
<i>Cash Flow Statement</i>	<i>12</i>
<i>Notes To The Accounts</i>	<i>13</i>
<i>Statutory Declaration</i>	<i>20</i>
<i>Report Of The Auditors To The Members</i>	<i>21</i>
<i>Analysis Of Shareholding</i>	<i>22</i>
<i>Particulars Of Property</i>	<i>24</i>
<i>Proxy Form</i>	

## Corporate Information

### REGISTERED OFFICE

17C, Wisma Limbongan Setia  
Jalan SG 3/4, Taman Seri Gombak  
68100 Batu Caves, Selangor Darul Ehsan  
Tel: 03-6187 5288 (10 lines)  
Fax: 03-6187 5289

### AUTHORISED & PAID-UP CAPITAL

Authorised - RM25.0 million  
Paid-up - RM19.8 million

### BANKERS

Arab-Malaysian Bank Bhd  
Arab-Malaysian Merchant Bank Bhd  
Bank Utama (M) Bhd  
HSBC Bank Malaysia Bhd  
Malayan Banking Bhd  
Phileo Allied Bank Bhd  
RHB Bank Bhd  
Southern Bank Bhd  
Utama Merchant Bank Bhd

### STOCK EXCHANGE

The Kuala Lumpur Stock Exchange (Second Board)

### AUDITORS

KPMG  
Public Accountants  
Wisma KPMG, Jalan Dungun  
Damansara Heights, 50490 Kuala Lumpur  
Tel: 03-255 3388  
Fax: 03-255 0971

### COMPANY SECRETARIES

Lim Thiam Wah, ACIS  
Mah Wai Har, ACIS

### REGISTRAR

Sectrars Services Sdn Bhd  
28-2, Jalan Tun Sambanthan 3  
Brickfields  
50470 Kuala Lumpur  
Tel: 03-2274 6133  
Fax: 03-2274 1016

### REGISTRATION

Pusat Khidmat Kontraktor Class A

### BOARD OF DIRECTORS

Executive Chairman  
Dato' Amirullah Abdul Muhi bin Mayudin

Managing Director  
Dato' Lim Kang Yew

Directors  
Dato' Haji Kamaruddin @ Abas bin Nordin  
Tuan Haji Ibrahim bin Haji Keling  
Lokman bin Omar  
Johar Salim bin Yahaya  
Sum Kwai Sang  
Hisham bin Mahmood



## Notice Of Thirteenth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the Company will be held at Damai One Kelab Century Paradise, Jalan Melawati 3, Taman Melawati, 53100 Selangor Darul Ehsan on Thursday, 28 of September 2000 at 10.00 a.m. for the following purposes :-

### Agenda

1. To receive and consider the Audited Accounts for financial year ended 31 March 2000 together with the Reports of the Directors and Auditors thereon. [Resolution 1]
2. To approve the payment of Directors' fees for the financial year ended 31 March 2000. [Resolution 2]
3. To elect the following Directors who retire in accordance with the Company's Articles of Association :  

Article 80 :	a) Tuan Haji Ibrahim bin Haji Keling	[Resolution 3]
	b) Lokman bin Omat	[Resolution 4]
4. To re-appoint Messrs. KPMG as auditors of the Company and to authorise the Directors to fix their remuneration. [Resolution 5]
5. As Special Business to consider and if thought fit, pass the following resolution as an ordinary resolution :-  

"That subject always to the Companies Act, 1965 the Articles of Association of the Company and the approvals of the Kuala Lumpur Stock Exchange and other relevant governmental/regulatory authorities, where such approvals are necessary, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

[Resolution 6]
6. To transact any other business for which due notice shall have been given in accordance with the Articles of Association of the Company and the Companies Act, 1965.

By Order of the Board

Lim Thiam Wah, ACIS  
 Mah Wai Har, ACIS  
 Joint Secretaries  
 Selangor Darul Ehsan  
 13 SEPTEMBER 2000

#### Note :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two(2) or more proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy/proxies must be deposited at the registered office of the company at 17C, Wisma Limbongan Setia, Jalan SG 3/4, Taman Seri Gombak, 68100 Batu Caves, Selangor Darul Ehsan, not less than 48 hours before the time for holding the meeting.
5. The Ordinary Resolution 6 is proposed pursuant to Section 132(D) of the Companies Act, 1965 and it passed, will give the Directors of the Company from the date of the above general meeting, authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. This authority, unless revoked or varied by the Company in the general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.



## Executive Chairman's Statement

It is my pleasure to present to you the Annual Report and Accounts of the Company for the financial year ended 31st March 2000.

### Operation

For the financial year ended 31st March 2000, the Company recorded a turnover of RM65.8 million as compared to RM 85.1million in the previous year. The lower turnover was principally due to completion of construction works for the existing projects. The company recorded a loss before tax of RM8.1 million substantially due to the lower turnover, additional provision for doubtful debts and provision for foreseeable losses relating to outstanding works which have been completed.

### Proposed Corporate Exercise

On the 5th and 8th May 2000, the Company announced to the Kuala Lumpur Stock Exchange the following Proposal to be undertaken by the company : -

- i. A proposed private placement of 1,980,000 new ordinary shares of RM1.00 each in PLS ("PLS shares") representing 10% of the existing issued and paid-up share capital of PLS of 19,800,000 PLS shares at an issue price to be determined at a later date ("Proposed Private Placement")
- ii. A proposed renounceable rights issue of 174,240,000 new PLS shares ("Rights Shares") on the basis of eight (8) new PLS shares for every one (1) existing PLS share held after the Proposed Private Placement at an issue price of RM1.00 per share ("Proposed Rights Issue").
- iii. A Proposed acquisition by PLS of 500,000 ordinary shares of RM1.00 each in Danga Bay Sdn Bhd (formerly known as Abad Ehsan Sdn Bhd) ("DBSB") representing the entire issued and paid up share capital of DBSB from Credence Resources Sdn Bhd. ("CRSB") for a purchase consideration of RM500,000 to be satisfied by the issuance of new PLS shares and an undertaking by PLS to assume and settle the total debt of DBSB of RM237,006,121 ("Proposed Acquisition")
- iv. A proposed increase in authorised share capital from RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each in PLS to RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each in PLS ("Proposed Increase in Authorised share Capital"), and



- v. A proposed change of name of the Company, from Pembinaan Limbongan Setia Berhad, to Danga Berhad ("Proposed Change of Name").

As at todate, we are in the midst of preparing the documents for the submission to the relevant authorities.

### Prospects

With the expected economic recovery, the Group is hopeful of securing more contracts thereby enhancing its performance further. It is expected that the Group performance will improve with the proposed corporate exercise being successfully implemented.

### Dividend

No dividend has been recommended for the financial year ended 31st March 2000.

### Appreciation

On behalf of the Board, I express as usual my heartfelt gratitude to our loyal shareholders, bankers, suppliers, sub-contractors, management and staff for their continued confidence and support.

**DATO' AMIRULLAH ABDUL MUHI  
BIN MAYUDIN**  
12 SEPTEMBER 2000



**PEMBINAAN LIMBONGAN SETIA BERHAD**  
(Company No. 160032-K)  
Annual Report 2000  
Laporan Tahunan 2000

## Audit Committee - 31 March 2000

**TUAN HAJI IBRAHIM BIN HAJI KELING**  
Chairman  
(Independent Non-Executive Director)

**DATO' LIM KANG YEW**  
Member  
(Non-Independent Executive Director)

**HISHAM BIN MAHMOOD**  
Member  
(Independent Non-Executive Director)

The Audit Committee was set up on 16 November 1994.

The Committee is authorised by the Board to investigate any activity within its term of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal, or other independent professional advice and to secure the attendance with relevant experience and expertise if it considers this necessary.

### Functions

The main functions of the Committee shall be :-

- a] To recommend to the Board the appointment or reappointment of the external auditors the audit fee and any questions of their resignation or dismissal.
- b] To discuss with the external auditors before the audit commences the nature and scope of the audit;
- c] To review the half-year and annual financial statements before submission to be Board;
- d] To discuss the outcome of the interim and final audits and any matter the auditors may wish to discuss ensuring that no management restrictions are being placed on the scope of their examinations;
- e] Reviewing the internal audit programme and the findings of the internal auditors;
- f] Reviewing the effectiveness of the internal control system;
- g] Recommend to the Board of Directors any appropriate extensions or changes in the duties of the Committee;
- h] Perform any work that is required or empowered to do so by statutory legislation or guidelines as issued relevant Government authorities which shall include but are not limited to the Securities Commission and The Kuala Lumpur Stock Exchange.



## Directors' Report for the year ended 31 March 2000

The directors have pleasure in submitting their report and the audited accounts of the Company for the year ended 31 March 2000.

### PRINCIPAL ACTIVITY

The principal activity of the Company in the course of the financial year remained unchanged and consists of the undertaking of civil engineering and construction works.

### RESULTS

	RM
Loss after taxation	(6,424,084)
Unappropriated profit brought forward	18,901,702
Unappropriated profit carried forward	<u>12,477,618</u>

### DIVIDEND

No dividend was paid during the year and the directors do not recommend any dividend to be paid for the year under review.

### RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the year.

### DIRECTORS OF THE COMPANY

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

Dato' Amirullah Abdul Muhi Bin Mayudin  
 Dato' Lim Kang Yew  
 Dato' Haji Kamaruddin @ Abas bin Nordin  
 Tuan Haji Ibrahim bin Haji Keling  
 Lokman bin Omar  
 Johar Salim Bin Yahaya  
 Sum Kwai Sang  
 Hisham Bin Mahmood  
 Aznam bin Mansor (resigned on 19.4.2000)

The directors who held office at the end of the financial year and their interest in the shares of the Company are as follows:-

Name	Ordinary Shares of RM1 each			Balance at 31.3.2000
	Balance at 1.4.1999	Bought	Sold	
Dato' Lim Kang Yew	3,915,000	300,000	-	4,215,000
Deemed interest by virtue of shareholdings in Limbongan Resources Sdn. Bhd.				
Lokman bin Omar	10,098,000	-	-	10,098,000



## ***Directors' Report (Cont'd)***

In accordance with Article 80 of the Company's Articles of Association, Tuan Haji Ibrahim bin Haji Keling and Lokman bin Omar retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

### **DIRECTORS' BENEFITS**

Since the end of the previous financial year no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts) by reason of a contract made by the Company or a related company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the year which had the object of enabling directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

### **ISSUE OF SHARES**

There were no changes in the issued and paid up capital of the Company during the year.

### **OPTIONS GRANTED OVER UNISSUED SHARES**

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

### **OTHER STATUTORY INFORMATION**

Before the profit and loss account and balance sheet of the Company were made out, the directors took reasonable steps to ascertain that:

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

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Company accounts misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the accounts, that would render any amount stated in the accounts of the Company misleading.





## Directors' Report (Cont'd)

At the date of this report there does not exist:

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

No contingent liability or other liability 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 Company to meet its obligations as and when they fall due.

In the opinion of the directors:

- i) the results of the operations of the Company for the financial year ended 31 March 2000 have not been substantially affected by any item, transaction or event of a material and unusual nature (other than as disclosed in Note 20 to the accounts) 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 accounts of the Company set out on pages 10 to 19, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31 March 2000 and of the results and cash flows of the Company for the year ended on that date.

### AUDITORS

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

Signed in accordance with a resolution of the directors:

..... Director  
**DATO' LIM KANG YEW**

..... Director  
**LOKMAN BIN OMAR**

Kuala Lumpur,  
 Date: 20 JULY 2000

**Balance Sheet**

as at 31 March 2000

	Note	2000 RM	1999 RM
FIXED ASSETS	3	7,187,815	9,966,691
CURRENT ASSETS			
Contracts-in-progress	4	37,945,609	54,612,553
Trade debtors	5	3,281,901	2,725,540
Retention receivable		7,493,464	11,898,418
Other debtors, deposits and prepayments	6	12,188,807	7,032,648
Deposits placed with a licensed bank	7	1,002,144	1,000,000
Cash and bank balances		1,472,745	1,629,296
		63,384,670	78,898,455
LESS: CURRENT LIABILITIES			
Trade creditors		3,617,883	6,398,181
Retention payable		9,849,553	13,162,425
Other creditors and accruals	8	6,263,771	5,971,877
Bank borrowings (unsecured)	9	15,585,146	18,782,214
Hire purchase creditors	10	556,300	1,101,617
Provision for taxation		1,619,414	2,857,687
		37,492,067	48,274,001
Net Current Assets		25,892,603	30,624,454
		33,080,418	40,591,145
Financed by:-			
SHARE CAPITAL	11	19,800,000	19,800,000
SHARE PREMIUM	12	138,161	138,161
UNAPPROPRIATED PROFIT		12,477,618	18,901,702
Shareholders' Funds		32,415,779	38,839,863
HIRE PURCHASE CREDITORS	10	664,639	118,282
DEFERRED TAXATION	13	-	1,633,000
		33,080,418	40,591,145

The notes set out on pages 13 to 19 form an integral part of, and should be read in conjunction with, these accounts.



## Profit And Loss Account

for the year ended 31 March 2000

	Note	2000 RM	1999 RM
Turnover	14	65,771,813	85,058,390
Cost of sales		70,772,211	80,304,654
(Loss)/Profit before taxation	15	(8,057,084)	1,117,929
Taxation	16	1,633,000	(21,000)
(Loss)/Profit after taxation		(6,424,084)	1,096,929
Unappropriated profit brought forward		18,901,702	17,804,773
Unappropriated profit carried forward		12,477,618	18,901,702
(Loss)/Earnings per share (sen)	17	(32.44)	5.54

The notes set out on pages 13 to 19 form an integral part of, and should be read in conjunction with, these accounts.



## Cash Flow Statement

for the year ended 31 March 2000

	2000 RM	1999 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(8,057,084)	1,117,929
Adjustments for:		
Depreciation	4,292,165	4,765,055
Gain on disposal of fixed assets	(62,346)	(354,749)
Interest expenses	1,438,669	3,403,204
Interest income	(51,032)	(75,234)
Operating (loss)/profit before working capital changes	(2,439,628)	8,856,205
(Increase)/Decrease in working capital:		
Contracts-in-progress	16,666,944	(24,745,390)
Debtors, deposits and prepayments	(5,712,522)	34,256,462
Retention receivable	4,404,954	2,048,324
Creditors and accruals	(2,488,404)	(8,121,885)
Retention payable	(3,312,872)	1,757,770
Cash generated from operations	7,118,472	14,051,486
Taxation paid	(1,238,271)	(1,137,483)
Interest paid	(1,438,669)	(3,403,204)
Interest received	51,032	75,234
Net cash generated from operating activities	4,492,564	9,586,033
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,615,992)	(251,444)
Proceeds from disposal of fixed assets	165,049	621,590
Net cash (used in)/generated from investing activities	(1,450,943)	370,146
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Hire purchase financing obtained	1,314,000	-
Repayment of hire purchase creditors	(1,312,960)	(5,467,750)
Repayment of revolving credit	(1,250,000)	(4,125,000)
Net cash used in financing activities	(1,248,960)	(9,592,750)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,792,661	363,429
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	472,082	108,653
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	2,264,743	472,082
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	1,472,745	1,629,296
Deposits placed with a licensed bank	1,002,144	1,000,000
Bank overdrafts (Note 9)	(210,146)	(2,157,214)
	2,264,743	472,082

The notes set out on pages 13 to 19 form an integral part of, and should be read in conjunction with, these accounts.



## Notes To The Accounts - 31 March 2000

### 1. PRINCIPAL ACTIVITY

The principal activity of the Company in the course of the financial year remained unchanged and consists of the undertaking of civil engineering and construction works.

### 2. ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

The accounts of the Company are prepared under the historical cost convention and in compliance with approved accounting standards in Malaysia.

#### 2.2 Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Freehold land is not amortised. All other fixed assets are depreciated on a straight line basis at rates which are intended to write off the cost of the assets over their estimated useful lives. The principal depreciation rates used are:-

Building	2%
Plant and machinery	20%
Office equipment	10%
Motor vehicles	20%
Furniture and fittings	10%

#### 2.3 Income Recognition

Income from contracts is recognised on the percentage of completion method. Losses on projects are recognised as soon as they are anticipated.

#### 2.4 Contracts-in-Progress

Contracts-in-progress are valued at cost less provision for any foreseeable loss. Cost consists of direct materials, labour and direct expenses.

#### 2.5 Deferred Taxation

Deferred taxation is provided for on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future.

Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

#### 2.6 Hire Purchase

Fixed assets acquired under hire purchase agreements are capitalised at their purchase cost and depreciated on the same basis as owned assets. The total amount payable under hire purchase agreements is included as hire purchase creditors. The interest element of the rental obligations is charged to the profit and loss account over the period of the hire purchase and accounted for based on the sum of digits method.

#### 2.7 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 changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.



## Notes To The Accounts (Cont'd)

### 3. FIXED ASSETS

	Freehold land and building RM	Plant and machinery RM	Office equipment RM	Motor vehicles RM	Furniture and fittings RM	Total RM
Cost						
At 1 April 1999	1,297,636	24,262,957	1,398,427	6,753,318	155,261	33,867,599
Additions	-	242,850	44,366	1,328,776	-	1,615,992
Disposals	-	-	(18,080)	(576,564)	-	(594,644)
At 31 March 2000	1,297,636	24,505,807	1,424,713	7,505,530	155,261	34,888,947
Accumulated Depreciation						
At 1 April 1999	85,800	18,409,661	567,581	4,752,522	85,344	23,900,908
Charge for the year	17,800	3,197,873	140,561	920,405	15,526	4,292,165
Disposals	-	-	(5,771)	(486,170)	-	(491,941)
At 31 March 2000	103,600	21,607,534	702,371	5,186,757	100,870	27,701,132
Net book value						
At 31 March 2000	1,194,036	2,898,273	722,342	2,318,773	54,391	7,187,815
At 31 March 1999	1,211,836	5,853,296	830,846	2,000,796	69,917	9,966,691
Depreciation charge for the year ended 31 March 1999	17,800	3,566,301	128,523	1,037,954	14,477	4,765,055

Net book value of plant and machinery and motor vehicles under hire purchase arrangements are RM3,027,078 (1999 - RM6,207,684).

### 4. CONTRACTS-IN-PROGRESS

	2000 RM	1999 RM
Cost incurred todate	429,371,003	437,160,201
Attributable profits recognised todate	49,017,067	59,759,259
	478,388,070	496,919,460
Less: Provision for foreseeable losses	(2,000,000)	(1,000,000)
	476,388,070	495,919,460
Less: Progress billings	(438,442,461)	(441,306,907)
	37,945,609	54,612,553



## Notes To The Accounts (Cont'd)

### 5. TRADE DEBTORS

	2000 RM	1999 RM
Trade debtors	5,281,901	3,725,540
Provision for doubtful debts	(2,000,000)	(1,000,000)
	<u>3,281,901</u>	<u>2,725,540</u>

### 6. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Included in other debtors, deposits and prepayments are advances made to sub-contractors amounting to RM11,926,219 (1999 - RM6,654,804). The advances to sub-contractors are unsecured and interest free. These advances will be recouped by way of setting off against future claims by these sub-contractors except for an amount of RM4.989 million (1999 - Nil) which has no fixed term of repayment.

### 7. DEPOSITS PLACED WITH A LICENSED BANK

The deposits with licensed banks of RM1.0 million (1999 - RM1.0 million) is held under lien for issuance of bank guarantees.

### 8. OTHER CREDITORS AND ACCRUALS

Included in other creditors are interest free advances received from developers amounting to RM2,638,291 (1999 - RM4,249,329).

The advances of RM810,000 received from developers are secured by way of bank guarantees and will be repaid by way of setting off against the Company's progress claims from the developers.

Other advances are unsecured and have no fixed terms of repayment.

### 9. BANK BORROWINGS (UNSECURED)

	2000 RM	1999 RM
Overdrafts	210,146	2,157,214
Revolving credit	15,375,000	16,625,000
	<u>15,585,146</u>	<u>18,782,214</u>

The overdrafts are subject to interest at rates ranging from 1.5% to 2.5% (1999 - 1.5% to 2.5%) above the cost of funds of lending financial institutions per annum.

The revolving credit is subject to interest at rates ranging from 6.0% to 9.7% (1999 - 10.05% to 16.45%) per annum.



## Notes To The Accounts (Cont'd)

### 10. HIRE PURCHASE CREDITORS

	2000 RM	1999 RM
Gross amount payable	1,447,022	1,418,927
Less: Interest in suspense	(226,083)	(199,028)
	1,220,939	1,219,899
Repayable within twelve months	556,300	1,101,617
Repayable after twelve months but within five years	664,639	118,282
	1,220,939	1,219,899

### 11. SHARE CAPITAL

	2000 RM	1999 RM
Ordinary shares of RM1 each:		
Authorised	25,000,000	25,000,000
Issued and fully paid	19,800,000	19,800,000

### 12. SHARE PREMIUM

Share premium arose from issuance of ordinary shares at an issue price higher than its nominal value.

### 13. DEFERRED TAXATION

	2000 RM	1999 RM
At 1 April	1,633,000	1,633,000
Transfer to profit and loss account (Note 16)	(1,633,000)	-
Balance at 31 March	-	1,633,000

Subject to the agreement with the Inland Revenue Board, the Company has the following:-

	2000 RM	1999 RM
Timing differences between depreciation and capital allowances	1,760,116	4,006,000
Timing differences on provision account	(2,000,000)	(1,000,000)
Unabsorbed capital allowances	(2,848,388)	-

### 14. TURNOVER

Turnover represents value of civil engineering and construction works done.





## Notes To The Accounts (Cont'd)

### 15. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at :-

	2000 RM	1999 RM
After charging:-		
Auditors' remuneration	36,000	25,000
Bank interest	1,249,340	2,787,713
Debts written off	-	361,200
Depreciation	4,292,165	4,765,055
Directors' fees	15,000	15,000
Directors' remuneration	668,626	668,185
Hire of plant and machineries	431,932	27,193
Hire purchase interest	189,329	615,491
Provision for doubtful debts	1,000,000	-
Provision for foreseeable loss	2,000,000	1,000,000
Site and office rental	270,690	262,490
and crediting:-		
Gain on disposal of fixed assets	62,346	354,749
Interest income	51,032	75,234
Rental income from hire of plant and machinery	230,950	251,220

The estimated monetary value of benefits-in-kind to a director not included in the above is approximately RM23,950 (1999 - RM47,900).

### 16. TAXATION

	2000 RM	1999 RM
Current year taxation	-	21,000
Deferred taxation (Note 13)	(1,633,000)	-
	(1,633,000)	21,000

There is no current year tax charge as the Company has sufficient capital allowances to set off against the adjusted profit.

Subject to agreement with the Inland Revenue Board, the Company has sufficient tax credit under section 108 of the Income Tax Act, 1967 and tax exempt income to distribute all of its distributable reserves as dividends at 31 March 2000 without any additional tax liability.

### 17. (LOSS)/EARNINGS PER SHARE

The (loss)/earnings per ordinary share is calculated based on the loss after taxation of RM6,424,084 (1999 - profit after taxation of RM1,096,929) and on RM19,800,000 (1999 - RM19,800,000) ordinary shares in issue during the year.



## Notes To The Accounts (Cont'd)

### 18. HOLDING COMPANY

The holding company is Limbongan Resources Sdn. Bhd., a company incorporated in Malaysia.

### 19. RELATED PARTY TRANSACTIONS

Significant related party transactions other than those disclosed elsewhere in the accounts are as follows:-

	2000 RM	1999 RM
Payment of expenses on behalf (by)/of related party	(60,000)	830
Purchase of raw materials on behalf of related parties	8,768	630,764

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and the terms have been established on a negotiated basis.

### 20. CONTINGENT LIABILITIES (UNSECURED)

	2000 RM	1999 RM
Performance bond given to third parties in respect of projects	17,762,020	19,968,428
Bank guarantee given to third parties in respect of purchasing material for project	373,000	55,000
Design bond given to a third party in respect of a project	218,729	218,729
Tender bond given to a third party in respect of tendering for a project	50,000	5,000
	18,403,749	20,247,157

During the financial year ended 31 March 1999, a sub-contractor has filed a claim against the Company for RM4.3 million. No provision has been made in the accounts as the case was referred to arbitration and the Directors of the Company are of the opinion that the outcome of the arbitration would be in favour of the Company. Accordingly, a counter claim has been filed in 1999 by the Company against the aforementioned sub-contractor for RM1.1 million. The status of the case remained unchanged during the year.

### 21. COMPARATIVE FIGURE

The following comparative has been restated to conform with current year's presentation.

	As restated RM	As previously stated RM
Cash flow statement		
Repayment of revolving credit	(4,125,000)	-



## Notes To The Accounts

### 22. SIGNIFICANT EVENTS DURING THE YEAR

Significant events involving the Company during the year are as follows:-

1. On 5 May 2000, the Company announced the following proposals:-
  - i) A proposed private placement of 1,980,000 new ordinary shares of RM1.00 each in the Company representing 10% of the existing issued and paid-up share capital of the Company of 19,800,000 shares of RM1.00 each at a issue price to be determined at a later date ("Proposed Private Placement");
  - ii) A proposed renounceable rights issue of 174,240,000 new ordinary shares of the Company ("Rights Shares") on the basis of eight (8) new ordinary shares for every one (1) existing ordinary share held after the Proposed Private Placement at an issue price of RM1.00 per share ("Proposed Rights Issue");
  - iii) A proposed acquisition by the Company of 500,000 ordinary shares of RM1.00 each in Danga Bay Sdn. Bhd. ("DBSB") representing the entire issued and paid-up share capital of DBSB from Credence Resources Sdn. Bhd. for a purchase consideration of RM500,000 to be satisfied by the issuance of new ordinary shares of the Company and an undertaking by the Company to assume and settle the total debts of DBSB of RM237,006,121 ("Proposed Acquisition").
  - iv) A proposed increase in authorised share capital of the Company from RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each to RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each ("Proposed Increase in Authorised Share Capital"); and
  - v) A proposed change of name of the Company from Pembinaan Limbongan Setia Berhad, to Danga Berhad ("Proposed Change of Name").

The directors, Dato' Amirullah Abdul Muhi Bin Mayudin and Johar Salim Bin Yahaya are deemed interested in the Proposed Acquisition.

Following the above proposals, in particular the acquisition of DBSB, the Company extends its principal activities to include property development and investment.

2. On 8 June 2000, the Company subscribed for 51,000 ordinary shares of RM1.00 each representing 51% of the issued and paid up share capital of Limbongan-Ekovest Management Sdn. Bhd. for a total cash consideration of RM51,000.



## **Statutory Declaration** *pursuant to Section 169 (16) of the Companies Act, 1965*

I, **LOKMAN BIN OMAR**, being the director primarily responsible for the financial management of **PEMBINAAN LIMBONGAN SETIA BERHAD**, do solemnly and sincerely declare that the accounts set out on pages 10 to 19, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed

**LOKMAN BIN OMAR** at KUALA LUMPUR in the

FEDERAL TERRITORY on 20 JULY 2000.

BEFORE ME:

Commissioner of Oaths  
Baratan A/L Sinniah @ Chinniah  
NO. W202  
Kuala Lumpur.



## ***Report Of The Auditors To The Members***

We have audited the accounts set out on pages 10 to 19. The preparation of the accounts is the responsibility of the Company's directors. Our responsibility is to express an opinion on the accounts 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 accounts are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. 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 accounts. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accounts 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 Company at 31 March 2000 and its results 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 accounts 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 have been properly kept in accordance with the provisions of the said Act.

**KPMG**

Firm Number: AF 0758  
Public Accountants

**LIM HUN SOON @ DAVID LIM**

Partner  
Approval Number: 1514/5/00(J)

Kuala Lumpur,  
Date: 20 JULY 2000



**PEMBINAAN LIMBONGAN SETIA BERHAD**  
(Company No. 160032-K)  
**Annual Report 2000**  
Laporan Tahunan 2000

## Analysis Of Shareholding as at 5 September 2000

Authorised Share Capital	:	RM25,000,000
Issue and Fully Paid-up	:	RM19,800,000
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Right	:	One Vote per ordinary share

### 1. ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Shareholders	%	Shareholdings	%
1 - 1,000	338	59.82	338,000	1.71
1,001 - 5,000	137	24.25	380,000	1.92
5,001 - 10,000	31	5.49	258,000	1.30
10,001 - 100,000	40	7.08	1,564,000	7.90
100,001 - 1,000,000	15	2.65	3,445,000	17.40
Above - 1,000,000	4	0.71	13,815,000	69.77
<b>TOTAL</b>	<b>565</b>	<b>100</b>	<b>19,800,000</b>	<b>100</b>

### 2. TWENTY (20) LARGEST SHAREHOLDERS

NAME	Shareholdings	%
1. Limbongan Resources Sdn Bhd	4,998,000	25.24
2. Dato' Lim Kang Yew	4,215,000	21.28
3. BBMB Securities Nomness (Tempatan) Sdn Bhd (Pledged Securities A/C for Kumpulan Prasana Rakyat Johor Sdn Bhd)	3,400,000	17.17
4. OSK Nominees (Tempatan) Sdn Bhd (Pledged Securities A/C for Kumpulan Prasarana Rakyat Johor Sdn Bhd)	1,700,000	8.58
5. Wong Chooi Fah	370,000	1.86
6. Wong Yoon Fah	364,000	1.83
7. OSK Nominees (Tempatan) Sdn Bhd (Pledged Securities A/C for Choo Teck Kooi)	344,000	1.73
8. Amsec Nomines (Tempatan) Sdn Bhd (Pledged Securities A/C for Goh Eng Keong)	274,000	1.38
9. Tan Lai Leng	262,000	1.32
10. Amanah Raya Nominee (Tempatan) Sdn Bhd (Kuala Lumpur Smallcap Fund)	200,000	1.01
11. Mayban Securities Nominee (Tempatan) Sdn Bhd (Pledged Securities A/C for Wong Siew Chin)	191,000	0.96
12. Roslee bin Daud	162,000	0.81
13. Khoo Nang Seng @ Khoo Nam Seng	161,000	0.81
14. Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities A/C for Pang Piu Fong)	159,000	0.8
15. Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities A/C for Naharudin bin Nizam)	128,000	0.64
16. Amsec Nominees (Tempatan) Sdn Bhd (Pledged Securities A/C for Tan Leak Goh)	119,000	0.60
17. Hambali bin Idris	109,000	0.55
18. Lam Mee Ling	104,000	0.52
19. Tan Wai Teng	95,000	0.47
20. Lim Shat Lan	93,000	0.46
<b>TOTAL</b>	<b>17,448,000</b>	<b>88.02</b>



## Analysis Of Shareholding (Cont'd)

as at 5 September 2000

### 3. SUBSTANTIAL SHAREHOLDERS

NAME	Shareholdings as at 5 September 2000	%
1. Limbongan Resources Sdn Bhd	4,998,000	25.24
2. Dato' Lim Kang Yew	4,215,000	21.28
3. BBMB Securities Nomness (Tempatan) Sdn Bhd (Pledged Securities A/C for Kumpulan Prasarana Rakyat Johor Sdn Bhd)	3,400,000	17.17
4. OSK Nominees (Tempatan) Sdn Bhd (Pledged Securities A/C for Kumpulan Prasarana Rakyat Johor Sdn Bhd)	1,700,000	8.58
<b>TOTAL</b>	<b>17,448,000</b>	<b>88.02</b>

### 4. DIRECTOR'S SHAREHOLDINGS

NAME	Shareholdings as at 21 April 2000	%
1. Dato' Amirullah Abdul Muhi bin Mayudin	-	0
2. Dato' Lim Kang Yew	4,215,000	21.28
3. Dato' Haji Kamaruddin @ Abas bin Nordin	-	0
4. Lokman bin Omar	-	0
5. Tuan Haji Ibrahim bin Haji Keling	-	0
6. Encik Johar Salim bin Yahaya	-	0
7. Mr Sum Kwai Sang	-	0
8. Encik Hisham bin Mahmood	-	0
<b>TOTAL</b>	<b>4,215,000</b>	<b>21.28</b>



## Particulars Of Property

LOCATION	DESCRIPTION/ EXISTING USE	AGE OF BUILDING	LAND AREA	TENURE	NET BOOK VALUE
					RM
H.S.(D) No.9469, PT No.7923, Mukim Batu Caves Selangor Darul Ehsan	4-Storey Shop/ Head Office Building	8 Years	226 sq. m (2,434sq.ft)	Freehold	605,400
H.S.(D) No.100241, PT No.62760 Mukim Plentong Johor Darul Ta'zim	2-Storey Shop/ Branch Office Building	12 Years	143.07 sq. m (1,540sq.ft)	Freehold	279,000
Lot 375,Sector 4 Indera Mahkota Mukim Kuala Kuantan District of Kuantan	Bungalow Lots/ Vacant	-	1,380.1 sq.m	Leasehold 99 years expiring on 10 Sep 2092	178,260
Lot 378,Sector 4 Indera Mahkota Mukim Kuala Kuantan District of Kuantan	Bungalow Lots/ Vacant	-	871.8 sq.m	Leasehold 99 years expiring on 10 Sep 2092	131,376





PEMBINAAN LIMBONGAN SETIA BERHAD  
(Incorporated in Malaysia)  
Company No. 160032-K

Proxy Form

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member/members of the above named Company hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing whom \_\_\_\_\_  
of \_\_\_\_\_

or the Chairman of the meeting as my/our proxy on my/our behalf at the Thirteenth Annual General meeting of the Company to be held on the Thursday 28 of September 2000 at 10.00 a.m. at Damai One Kelab Century Paradise, Jalan Melawati 3, Taman Melawati, 53100 Selangor Darul Ehsan.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X" :

ORDINARY RESOLUTIONS		FOR	AGAINST
1. Adoption of Reports and Accounts	[Resolution 1]		
2. Approval of Directors' Fees	[Resolution 2]		
3. Re-election of directors:			
a) Tuan Haji Ibrahim bin Haji Keling	[Resolution 3]		
b) Lokman bin Omar	[Resolution 4]		
4. Re-appointment of Auditors	[Resolution 5]		
5. Authorisation pursuant to section 132D	[Resolution 6]		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2000.

Number of shares held

\_\_\_\_\_  
Signature of Shareholder (s)

Note :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two(2) or more proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy/proxies must be deposited at the registered office of the company at 17C, Wisma Limbongan Setia, Jalan SG 3/4, Taman Seri Gombak, 68100 Batu Caves, Selangor Darul Ehsan, not less than 48 hours before the time for holding the meeting.